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Strikers win round in blacking out TV campaign ads

Professional unions unhappy with deal
Wage accord signed, salaries to go up 15%

Strikers win round in blacking out TV campaign ads

By GREER FAY CASHMAN
Jerusalem Post Reporter

The striking radio and TV journalists yesterday evening won the first round in their battle to prevent election campaign telecasts when the High Court of Justice issued a temporary injunction cancelling their back-to-work orders.

The journalists believe that with less than a month until election day, keeping the political messages off the air will pressure the government into acceding to their wage demands.

Central Elections Committee chairman Gavriel Bach said on Friday that he believes blacking out election messages in effect interferes with the electoral process. Accordingly, Bach asked Education Minister Zevulun Hammer to secure government agreement to order the journalists back on the air, and the government unanimously voted to do just that early yesterday.

The journalists then sought an injunction invalidating the orders. At 7:45 p.m. Justice Aharon Barak, sitting at the High Court, issued a temporary injunction to that effect. A panel of five judges, however, is to meet today to decide if the back-to-work orders should be cancelled altogether.

Israel Television last night broadcast some music programmes and an abbreviated late-night news bulletin.



Shimon Barda, handcuffed, is led away by Tel Aviv detectives after his capture in Netanya yesterday. (IPPA)

Lifta suspect nabbed at cafe in Netanya

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — Shimon Barda, wanted by police on suspicion of supplying arms to the Lifta group, was captured yesterday by Tel Aviv detectives in a Netanya cafe.

Barda disappeared a few months ago when the Lifta group, whose members are suspected of planning to blow up the Dome of the Rock and al-Aksa mosque, was caught. Police said at the time that Barda might be the group's leader.

A team of Tel Aviv Central Unit detectives had been searching throughout the country, from Metulla to Eilat, since March, and it was feared that Barda had left the country.

Three detectives cornered Barda at noon yesterday sitting alone, drinking coffee at a cafe on the corner of Herzl and Smolensky streets. Fearing that the fugitive was armed, the detectives called for reinforcements. When more detectives arrived from the central unit, they spread out stealthily around the cafe.

Two senior officers crept up behind Barda and pounced on him and the rest of the detectives came out of hiding simultaneously, surrounding Barda.

Barda put up a short but desperate struggle, but was soon overpowered and handcuffed.

After a "summary interrogation," Barda was transferred to the Southern Police District, which is handling the Lifta case. Police sources said yesterday that Barda's capture is expected to advance the investigation into the Lifta affair.

Police believe that Barda is the man who obtained the vast quantity of arms the Lifta gang stockpiled before the attempt on the Moslem holy places earlier this year.

Professional unions unhappy with deal

Wage accord signed, salaries to go up 15%

By JOSHUA BRILLIANT
Jerusalem Post Reporter

TEL AVIV. — The government and the public sector employers yesterday concluded a new two-year wage agreement with the Histadrut, providing for wage increases of some 15 per cent payable with July and August's salaries.

Under the terms of the agreement, July salaries, including any cost-of-living compensation, will be increased by 10 per cent, and August salaries will register a further increase. The August hike will be calculated at 6 per cent of June's salaries. (Photo on page 2)

In addition to these increases, the unions have been given an 8 per cent leeway to settle outstanding demands on an individual union level. If the unions are unable to reach agreement with the individual employers by October 1, workers will receive 4-per-cent increases with both their September and October salaries.

Yesterday's agreement was supposed to put an end to the strikes and threatened sanctions by various unions. But only the civil servants, the clerks and the technicians unions endorsed it. These unions represent a total of some 240,000 workers.

Legally, the signature of Histadrut trade union department chairman Haim Haberfeld binds all unions, but Haberfeld told *The Jerusalem Post* "the Histadrut has no police" and cannot force the other unions to comply.

Last night the central committees of the Histadrut Teachers' Union, the University Graduates in Social Sciences and Humanities, and the Engineers Union rejected the agreement. The nurses are to consider their next step today and the social workers will meet later this week.

The agreement was signed at the end of a marathon round of talks, which began shortly before 9 p.m. on Saturday and ended at about 4 p.m. yesterday. Treasury Director-General Nissim Baruch and Haberfeld were joined after midnight by Histadrut Secretary-General Yisrael Kessar, called in to help overcome the final hurdles.

The five-page agreement specifically states that the various raises are designed to meet all the unions' demands, including their demand for raises to compensate for the increases given to the doctors. An appeal to arbitration for compensation for the doctors' raises is to be cancelled, the agreement adds.

In a separate agreement, Haberfeld confirmed to the government that the Histadrut was dropping its demand to give all workers the IS10,344 allowance given recently to some employees.

Other clauses in yesterday's agreement stipulate that two grades will be added to the top end of the wage scale on April 1, 1985.

Another clause states that next April the agreement will be re-examined "with the aim of preserving real income."

A further examination next April will check that the lowest wage level — grade 11 on the unified scale — has not fallen in comparison with the consumer price index.

The agreement does not provide for any updating of income tax brackets. This means some employees may find themselves in higher tax brackets as a result of the wage increases.

Addressing yesterday's signing ceremony, Haberfeld said he "expected the government to update tax brackets and deal with other tax problems presented by the Histadrut." But the Treasury's Baruch said the tax issue can only be considered in the context of an overall agreement after the elections.

The professionals' main grievance was that their specific problems were not attended to, and that workers in the lower and middle grades were faring better under the agreement.

Ya'acov Unikovski, representing the employees with degrees in social sciences and humanities, explained that recent fixed raises — such as the IS10,344 — represented larger percentage increases to workers in low grades than those in higher grades.

Yesterday's agreement did not correct the imbalance, and the net increase for the higher paid will be lower (in percentage terms) than for the lower paid because the professionals will pay more income tax.

The university graduates and the engineers' yesterday held a joint meeting in which they criticized the Histadrut's policy. Yitzhak Raz, the engineers' leader said the Histadrut favoured the Clerks and Civil Servants Unions, whose members are in the lower paying jobs, because they represent more voters.

They said the agreement should not be endorsed because it includes no compensation for educational

South Lebanon Army comes under attack

By MENAHEM HOROWITZ
Jerusalem Post Reporter

METULLA. — A hand grenade was thrown at a South Lebanon Army roadblock one kilometre east of Tyre at midnight on Saturday. SLA forces fired in the direction of the assailants, who fled.

At 3 a.m. yesterday morning, light arms fire was directed at an SLA patrol near Kafanya village in the central sector.

Also yesterday morning an IDF patrol discovered and dismantled an explosive device 1½ kilometres south of the village of Edvar in the central sector.

Ciskei investors fail to register here

By AVI TEMKIN
Post Economic Reporter

Only one of the several Israeli firms that have invested in the South African black homeland of Ciskei has requested the authorization of the Controller of Foreign Exchange as required by foreign-currency regulations, *The Jerusalem Post* has learned.

Among Israelis with commercial interests in Ciskei is former finance minister Yoram Aridor, who has reportedly signed contracts for the establishment of two factories. At least two other Likud Knesset members are also believed to have invested in the homeland.

According to the foreign-exchange regulations, persons planning to establish companies abroad need authorization from the Controller of Foreign Exchange. The controller usually grants the authorization on condition that the planned investment will benefit the economy and will develop its exports.

A spokesman for the central bank told *The Post* that as of yesterday only one company, dealing in textiles, had requested authorization to invest in Ciskei.

The spokesman could not say whether the controller plans to make any inquiries into the reports of a large number of Israelis investing in Ciskei. "To start any proceedings, we need information, and items appearing in newspapers are not necessarily true," he said.

Terrorist suspects moved

The Jewish underground suspects were yesterday transferred to Tel Mond jail from the Jerusalem Russian Compound lockup where they have been detained since their arrest two months ago.

The 24 suspects were taken in a police bus to their new quarters in the prison between Kfar Sava and Netanya. Prisons Authority spokesman Deputy-Warden Shimon Malka said there had been no request for special conditions for the prisoners. He stressed that such requests were perfectly legitimate and were frequently received on behalf of many prisoners.

Tel Mond is normally reserved for young criminals, with more serious offenders sent to Ramle, Beersheba or jails in the north of the country. Tel Mond has a synagogue and a yeshiva.

The suspects arrived at Tel Mond yesterday under heavy security. Journalists were prevented from entering the prison. (Itim)

Senior university staff agree to pay cut

By CHARLES HOFFMAN
Jerusalem Post Reporter

The senior university teaching staff has agreed to take a 6 per cent pay cut for one year to provide the funds in the country's higher education budget that will prevent further dismissals of junior faculty.

This was announced yesterday by Prof. Haim Harari at the first meeting of the ministerial committee on higher education, set up recently to deal with the financial crisis in the universities. Harari is chairman of the Planning and Grants Committee of the Council for Higher Education.

The ministerial committee is headed by Education Minister Zevulun Hammer, with Science Minister Prof. Yuval Ne'eman and Trade and Industry Minister Gideon Patt as its other members.

Harari told the ministers yesterday that government allocations for higher education have dropped by 25 per cent in the last two years, and that the university system's deficit now stands at \$60 million.

This past year, he reported, purchase of books and equipment and maintenance of equipment have been severely curtailed due to the budget crisis, and over 100 junior faculty members have been fired. The government provides about 70 per cent of university budgets.

The voluntary salary cut by the senior faculty, which will save IS1.5 billion, will go into effect July 1.

The representatives of the council also demanded that the government either raise tuition fees as it had planned last year, or restore the IS2b. that was cut from this year's budget on the assumption that tuition would be raised.

Harari proposed that the government set up a special budget that would reach \$20m. a year to train the engineers, scientists and computer experts essential for the further growth of the country's science-based and defence industries.

He also noted that more money was needed to improve the teacher-student ratio in the universities, which has dropped over the last 10 years to a high school level. He warned that it would be necessary to limit university enrolments soon to prevent the ratio from worsening, if more money to hire more teachers were not allocated.

Mubarak cautions Israel against staying in Lebanon

CAIRO (AP). — Israel's refusal to withdraw from Lebanon could lead to "negative consequences," President Hosni Mubarak warned yesterday.

Speaking at the opening session of parliament, Mubarak also urged Israel to negotiate an end to the dispute over the Tabar region of Sinai, which both Egypt and Israel claim.

"Any slowness in the withdrawal of Israeli troops (from Lebanon) will lead to negative consequences," Mubarak warned.

"We also ask Israel to take serious steps to resolve the dispute that it started over Tabar by mediation and arbitration," said Mubarak, adding that "no Egyptian will ever give up any part of his land."

Mubarak also stressed that the key to a comprehensive settlement to the Middle East problem is solving the Palestinian problem with the participation of the Palestine Liberation Organization. He called on Arab countries to unite and help solve the Palestinian problem, and told Israel it should not oppose peace.

Mubarak's wide-ranging speech concentrated on the May 27 parliamentary elections which opposition parties have claimed were illegal because of ballot-stuffing and fraud.

Mubarak yesterday offered to step down after a second six-year term in a gesture toward further democracy in Egypt.

Iraq breaks lull in Gulf War, strafes Greek oil tanker

BAHRAIN (Reuters). — An Iraqi air attack yesterday on a Greek-registered tanker in the Arabian Gulf broke a two-week lull in strikes on Gulf shipping and prompted fears of Iranian retaliation.

The attack followed by hours a emergency meeting in Riyadh of the chiefs of staff of the six Arab nations on the western side of the Gulf who were trying to map out a unified strategy to protect Gulf security.

An Iraqi military spokesman said over Baghdad Radio that Iraqi aircraft hit four "large naval targets" early yesterday. But only one attack, on the 152,372-ton Alexander the Great, was independently confirmed.

In Athens, a spokesman for the Merchant Marine Ministry said the vessel was loaded with oil when hit in an Iraqi rocket attack near the Iranian oil terminal of Kharg Island.

The ship's agents in Greece said none of the 26-crew members was injured, and the lightly damaged ship continued its journey to the mouth of the Gulf.

The last tanker hit in the 45-month-old war was the Kuwaiti vessel Kazimah on June 10, which Kuwait blamed on Iran.

There was no immediate reaction to yesterday's strike from Iran, whose parliamentary speaker said after the attack on the Kazimah that Teheran would not hit shipping in the Gulf if Iraq also refrained from doing so.

Iraq has unilaterally declared a war zone which includes Kharg Island in the northern Gulf, describing the island as a legitimate military target because most of Iran's oil exports are loaded there.

Shipping sources said Iranian exports had risen to about 1.5 million barrels per day during the recent lull in the fighting.

Egyptian President Hosni Mubarak, calling Iranians brothers of the Arabs, said yesterday Egypt will launch a new initiative in the next few weeks to end the Iraq-Iran war.

In a speech opening Egypt's parliament, Mubarak said, "We find that we have to take new steps in the next few weeks with the same quiet method that we have used before," referring to earlier Egyptian mediatory moves within the framework of the Islamic and non-aligned movements.

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Tournament sponsored by The Jerusalem Post.

Henry Kissinger speaks out
In today's *Jerusalem Post* we begin a monthly column on international affairs by the world's most celebrated statesmen. See page 10

EIGHT PAGES FROM SUNDAY'S
The New York Times
THE WEEK IN REVIEW
INSIDE TODAY

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Los Angeles	19	26	58	Clear
Madrid	19	26	58	Clear
Moscow	9	15	72	Cloudy
New York	19	26	58	Clear
Oslo	13	19	59	Cloudy
Paris	13	19	59	Cloudy
Rio de Janeiro	16	21	59	Cloudy
Sao Paulo	16	21	59	Cloudy
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City	Yesterday's Humidity	Yesterday's Min-Max	Today's Min-Max
Jerusalem	33	13-26	28
Golan	34	14-26	20
Nahariya	35	15-26	28
Safed	36	16-26	28
Haifa Port	30	22-27	27
Tiberias	34	19-25	36
Nazareth	37	17-29	32
Afula	37	18-31	33
Shimon	37	17-28	31
Tel Aviv	60	20-28	29
B-G Airport	48	18-29	31
Jericho	31	18-35	37
Gaza	57	20-27	28
Beerseba	24	16-32	33
Eilat	11	23-37	38

Spain vs. France in soccer final

Jerusalem Post Staff
Spain qualified to meet France in the final of the soccer's European Championship in Paris on Wednesday night, when they defeated Denmark in the semi-final in Lyon last night.

The match ended in a 1-1 draw, and with no further goals in extra time went to a sudden death penalty shoot out, which the Spaniards won 5-4. (See earlier story page 4)

Non-discriminatory law sought by disabled list

TEL AVIV. - A law to guarantee disabled individuals employment on the basis of their abilities instead of their disabilities is one of the goals of the Movement of Israel's Disabled, running in the current elections, its leaders announced at a press conference here yesterday.

"There is no reason why every blind person should be shunted into working a switchboard, even if he has a university degree," Yair Dori, No. 3 on the slate said.

Welcome to Israel
Rachel Reef
of Chestnut Hill, Mass.
delegate to the American Zionist Youth Conference.
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This Week - Civil Defence Exercises in the Nes Ziona, Yehud, Mitzpe Ramon and Tel Aviv-Yafo Areas

Civil Defence (Haga) exercises will be held this week at the following places:

Tuesday, June 26, between 8 a.m. and 4 p.m. - in the Nes Ziona area.
Wednesday, June 27, between 6 a.m. and 3 p.m. - in the Yehud area.
Thursday, June 28, between 8 a.m. and 4 p.m. - in the Mitzpe Ramon area
★ in the Tel Aviv-Yafo area

During the course of the exercises, there will be simulated firing and explosions and the all clear will be sounded. In case of an actual alert, sirens will be sounded on an ascending/descending scale.

HOME NEWS

24 lists formally approved

By ASHER WALLFISH
Jerusalem Post Reporter

The Central Elections Committee yesterday approved 24 out of the 27 election lists which had met the statutory criteria with regard to sponsors, candidates and deposits.

Kach and the Progressive Peace List were disqualified by the committee by majority vote. Emuna withdrew of its own accord under pressure from the National Religious Party.

Kach and the PLP are appealing to the High Court against the ban.

A 28th list disqualified in an earlier stage because of improper registration procedures - the Quiet Force (Koach Shaketi) list headed by Ya'akov Gross - has also appealed to the High Court.

In another decision, the committee agreed by a narrow majority to let the Labour-Mapam Alignment shorten its official name by dropping the references to the Independent Liberals and Non-Party supporters in the title.

Chairman Gavriel Bach sided with the Likud in objecting to the Alignment request on the grounds that lists which submit their requests to run under one name should not be allowed to make 11th-hour alterations.

Commenting on the election-propaganda broadcasts he was vetting, Bach said they conform to the spirit of the convention signed by the main lists, and hoped that the smaller lists would follow in their footsteps.

Likud denies publishing attack on Sarid

By SARAH HONIG
TEL AVIV. - The Likud last night categorically denied putting out a newsheet called *Mizak Hadashot* (news bulletin) in which Labour MK Yossi Sarid was branded an "Ashkenazi Nazi" (a combination of Ashkenazi and Nazi).

The bulletin was handed out to passers-by in various cities on Friday. Alignment information chief Moshe Shahal cabled Central Elections Committee chairman Justice Gavriel Bach, asking him to order the Likud to cease publication of the paper forthwith and to put the publishers on trial.

The Likud said it has nothing to do with the paper. The Likud spokesman added that "the alacrity with which the Alignment accused us is dirty electioneering and smacks of a deliberate provocation."

Sarid has already lodged a criminal complaint with the police, charging a conspiracy to harm his good name.

Ne'eman plays down the underground

Jerusalem Post Reporter

Science and Development Minister Yuval Ne'eman yesterday expressed regret at the sentence handed down against Jewish terror organization member Gilad Peil, saying: "One must not view membership in an organization that, albeit illegal, has as its goal defending settlers, as being as serious as membership in an underground working against the state."

Speaking with journalists, Ne'eman also said that a sector of Israeli society suffers from Diaspora inferiority feelings and the fear of "what the gentiles will think."

"There is no question," Ne'eman said, "that the Jewish people must strictly observe the rules of morality, in its own best tradition. But this does not mean that every event must take on inflated proportions; nor is there any need for us to prove our purity to the world, since this is interpreted as weakness."

The minister added that he had opposed the establishment of the Kahan Commission to investigate the events at the Sabra and Shatila refugee camps. On this issue, he explained: "The sole result of the Kahan Commission findings in world public opinion is that nobody pins any of the blame on the Christians. The impression one gets is that Begin, Sharon and the State of Israel are the ones responsible for the massacre."

"The publication of the Zorea Committee findings, as well as the public's (rush to) judgment in the 'underground' issue are signs of that same public weakness," Ne'eman concluded.

Colleges will have to keep ideology out of the classroom

Jerusalem Post Reporter

Teachers-training colleges affiliated to party institutions will have to ensure their programmes are insulated from their ideological orientation, if they wish to award degrees.

The cabinet took this decision yesterday when it gave its approval in principle for the teachers-training college at Beit Berl, the Labour college near Kfar Sava, to award the BA degree to three categories of teachers.

Education Minister Zevulun Hammer, who asked the cabinet to approve the Beit Berl plan, was charged with appointing a committee to establish guidelines for ideological institutions.

Several teachers-training colleges are affiliated to religious parties. The new rules will apply to all such colleges seeking academic status.

The Council for Higher Education earlier endorsed Beit Berl's request for academic status.

At its weekly session the cabinet also:

- approved emergency regulations allowing the issuance of back-to-work orders to striking gas distributors;
- approved the appointment of Shlomo Erel, former Navy commander, as controller of the defence establishment in place of Meir Zorea;
- approved easier National Insurance payments procedures for the self-employed;
- heard a survey by Prime Minister, Shamir about the abortive Arab bid to get Israel suspended from the International Postal Union meeting in Hamburg last week;
- and heard a report by Finance Minister Yigal Cohen-Orad on the wage agreement talks.

The cabinet session lasted little more than two hours and the Likud ministers then hurried into closed conclave to discuss the election campaign.

NEWS BACKGROUND/Sarah Honig Likud sees TV slots as last hope to close gap

TEL AVIV. - The scheduled debut of the strike-threatened television election broadcasts last night has sent political temperatures soaring in both parties. The Likud regards its broadcasts as a last-ditch effort to prevent a possibly sweeping Alignment victory, while the Alignment's objective is not to slip back from the very healthy lead predicted by the polls.

If the labour disputes endangering the broadcasts do not prevent their screening, it is expected that the election spots will spice up this year's dull campaign. Up to now, the argument goes in both major parties, there has been no real campaign, with only several unexciting rallies, and arguments over newspaper advertisements which drew little voter attention.

The TV battle, however, is expected to be tougher and possibly dirtier. TV is particularly important in the campaigns, because it reaches almost every living room and is watched by thousands who would not bother leaving home to attend a political rally.

The Likud in particular, it is thought, will have to take a very aggressive stance in its broadcasts, since it has made no impact at all in the campaign so far. The Alignment has done well with its low profile approach and will try to maintain its lead and not to offend any floating voters, who in the recent past have tended to vote Likud.

The Likud has no time to lose. Its campaign workers are becoming despondent as poll after poll indicates that the Alignment lead is, if anything, widening. The Likud had hoped that the two parties would be neck and neck by now.

The most recent poll, by Dahaf, published yesterday in *Yediot Aharanot*, shows the Likud with only 39 Knesset seats and the Alignment with 54.

These figures had their effect yesterday on both the Likud leadership and its election headquarters. Likud ministers who gathered at the Prime Minister's Office after yesterday's cabinet session engaged in mutual recriminations with Finance Minister Yigal Cohen-Orad the most common target. He was accused of refusing to realize that crucial elections are being fought. The ministers are demanding election economics and Cohen-Orad is opposing such measures.

At campaign headquarters, the chief argument centred on how to focus the campaign. Deputy Prime Minister David Levy, in charge of the campaign, and Justice Minister Moshe Nissim, in charge of the information drive, would like to concentrate less on economics and more on national issues such as the territories. They championed the Likud's "national camp" slogan.

But Gideon Gadot, who heads the TV production unit, said that what bothers floating voters is the economy. He suggested telling people that although there are problems, they never had it so good.

Some in the Likud camp still hope to persuade former premier Menachem Begin to come to the aid of his party, at least on TV.

The Alignment is gearing itself up for the nearest thing to an instant response: a team of script-writers is poised to deliver a rebuttal to any Likud onslaught, within a day.

The most biting attacks are expected to come from comedian Sefi Rivlin for the Likud, and reportedly from the Gashash trio for the Alignment.

Likud crews have already filmed Prime Minister Shamir in a living-room setting, delivering something like a fire-side chat, which the Likud hopes will strengthen his image of trustworthiness.

Labour crews have filmed the Peres-Navon-Rabin trio in a smiling show of unity, also in a living-room setting. Navon will be prominently featured as the Labour TV star: Peres has been photographed with his grandchildren; and Rabin will be shown in a helicopter, surveying the borders.



Histadrut Secretary-General Yisrael Kessar (centre) makes a point yesterday after signing the public sector wage agreement. (Efrat Sharir, IPPA)

Peres: Eban to get 'deputy premier' post

Jerusalem Post Reporter

Labour Party leader Shimon Peres has confirmed that if the Alignment forms the next government, Abba Eban will receive a position "on the level of a deputy prime minister."

In an interview with the *New York Times* over the weekend, Peres declined to comment on the reports that he had already promised the Foreign Affairs portfolio to former president Yitzhak Navon.

Herut 'hiding' the Liberals in the election campaign

By SARAH HONIG
Post Political Reporter

TEL AVIV. - Liberal ministers and Knesset candidates will not be stars or even supporting actors on the Likud's television spots. At most they will make an occasional appearance.

As in the 1981 election broadcasts, the Liberals will be kept a well-kept secret by Likud strategists. Not only are they not considered an electoral asset, but the belief in most Likud circles is that they are actually a liability. They will be kept from the public eye and the less the public sees of them, the better, Herut believes.

This, of course, hinges on whether there will be regular election broadcasts, as these are being jeopardized by strike threats.

But if the election spots are aired regularly there will be virtually no speeches by leading Liberals. If Liberals appear on the screen it will be by virtue of their jobs. Thus Energy Minister Yitzhak Moda'i will be featured touring the Hadera power station; Trade Minister Gideon Patt will probably be shown touring an industrial plant.

In the 1981 campaign the practice was similar. The only exception, Justice Minister Moshe Nissim addressed the public directly, calling for an orderly, peaceful campaign.

Liberal ministers who have been sent out on meet-the-public street corner tours or on rallies have thus far proved a public relations flop, it is reported from Likud headquarters, while their Herut counterparts are said to be crowd-drawers.

Nevertheless, the Liberal ministers are in all the top campaign forums to prevent too much of an outcry. But there are fewer Liberals today than three years ago among the campaign workers themselves.

Top Liberal in the campaigns is again Nissim, considered the electorally most attractive of party leaders. He has been appointed head of the information campaign, but much of the real decision-making is in the hands of Deputy Premier David Levy who heads the campaign headquarters. Another Liberal with a campaign job is Minister-without-Portfolio Sarah Doron who, with Herut's deputy-education minister Miriam Glazer-Ta'sa, co-chairs the Likud women's campaign. Likud headquarters estimates that 53 per cent of the party's voters are women.

Mapam: Platform too soft on compromise

Post Political Reporter

TEL AVIV. - Mapam, the Alignment's left-wing partner, intends to exchange letters with Labour over what it complains is "deliberately soft phraseology" in the Alignment platform regarding territorial compromise.

Mapam is unhappy that the present platform, unlike the 1981 elections manifesto, does not stress that the Alignment advocates territorial compromise. More specifically, Mapam is unhappy that in the clauses dealing with Israeli-Syrian relations, the platform does not mention that a new, negotiated border could pass "within the Golan Heights."

The 1981 platform advocated territorial compromise in the Golan. This time round, it was decided to leave the entire topic vague. Territorial compromise on the Golan, though not ruled out, is not mentioned outright.

Mapam will decide on the exact wording of its letter to Labour Party chairman Shimon Peres at a closed meeting of the party secretariat Wednesday.

Mapam also stresses that its members reserve the right to vote independently in the next Knesset on all questions involving territorial concessions and Israeli sovereignty in the territories, including the Jordan Rift Valley and the Golan. At Labour's insistence, the Alignment platform speaks of strengthening settlements in security zones, including the Jordan Rift and other areas designated by the Allon Plan.

Overall, the Alignment platform is considered more hawkish this year, drafted with an eye to capturing the floating voter, which is seen as more hawkish than the Alignment's mainstream.

Lahat 'shocked' to learn he'll do TV propaganda

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. - Mayor Shlomo Lahat says he was shocked to hear reports that he will present the Likud's election-campaign broadcasts on television.

Lahat, who is on a fund-raising tour in Europe for the Tel Aviv Foundation, telephoned his office yesterday and stated that while he had been asked to present the broadcasts, nothing had been confirmed.

Lahat said that when he was approached on the matter he asked to discuss it first with a senior personality in the Likud campaign headquarters, but nobody had contacted him again regarding the broadcasts.

Lahat is due to return at the end of the week, but will leave the country again eight days later for another trip in Europe.

MONEY. - A three-day international conference on the role of Jews in Mediterranean banking, finance and international trade between the 17th and 19th centuries will open at Bar-Ilan University tomorrow.



Histadrut Secretary-General Yisrael Kessar (centre) makes a point yesterday after signing the public sector wage agreement. (Efrat Sharir, IPPA)

Sporadic fighting in Beirut despite new security pact

BEIRUT. - Christian and Moslem militiamen battled intermittently along Beirut's green line yesterday, 24 hours after the announcement of a new security agreement designed to reunify the divided capital and end Lebanon's nine-year civil war.

Police said six persons had been wounded in fighting Saturday night, raising the weekend casualty toll to four killed and 57 wounded.

State and private radio stations said the newly appointed Lebanese Army commander, Gen. Michael Aoun, would call for a meeting of a six-man military council to work out a timetable for implementing the security plan, agreed upon at Saturday's meeting of the national coalition cabinet.

Aoun, a Maronite Catholic, must heal the wounds of sectarian war by reintegrating Christian and Moslem troops in an army in which many units split along confessional lines during the fighting.

Moslem cabinet ministers only accepted Aoun's appointment after long arguments with President Amin Jemayel, his close friend.

Political observers say he is more right-wing than Gen. Ibrahim Tannous, the outgoing commander, whose dismissal was demanded by Moslem leaders for causing heavy civilian casualties and destruction in Moslem areas during the fighting.

Western military observers say Tannous is by far the best, most charismatic officer the Lebanese Army has, and Jemayel insisted that Aoun is the next best man to retain the loyalty of Christian troops and create a 50,000-man national force.

Jemayel warned that the troops might desert to the Christian "Lebanese Forces" militia if they feared the army would be emasculated under a weak commander or used against Christians.

The "Lebanese Forces" have openly threatened to back any mutiny by Christian troops against radical changes in the army.

Jemayel also argued that like Tannous, Aoun was a friend of Moslem soldiers under his command. His brigade, in fact, was one of the few that did not suffer major Moslem desertions during the fighting.

Even so, it took Syrian Vice-President Abdel Halim Khaddam to persuade the Moslem leaders to accept Aoun.

In exchange, Jemayel agreed to reforms under which he surrendered direct control of the army and Aoun must share command with a new, military council representing five other sects.

Beirut radio stations said Syrian President Hafez Assad conferred by telephone with Jemayel Saturday night on the new security plan. The stations said Assad wished the Lebanese government "success in the new course." (AP, Reuters)

AACI issues guide

Jerusalem Post Reporter

The Association of Americans and Canadians in Israel has put out a voters guide in English, containing a list of the parties with a brief description of each.

Following this are advertisements by the Likud, the Alignment, Yabad, Shinui, NRP, Citizen's Rights and the Atzmaut party of Ezra Sohar.

With deepest sorrow and grief we announce the untimely passing of our dearly beloved

BENSION SHELEMAY

The funeral will take place today,
Monday, June 25, 1984 (25 Sivan 5744)
at 3 p.m., at Ramat Hasharon cemetery.

Buses will leave from the Mann Auditorium
Square Tel Aviv at 2 p.m.

His Wife: Ruth
His Sons: Eyal, Guy
His Mother: Miriyam
His Brothers: Solomon, Jack, Daniel
His Sisters: Mary Simons, Shoshana Nahum, Margaret Bates, Aviva Shelemay, Elana Shelemay and their families

To Mrs. Ruth Shelemay, Eyal, Guy, and the bereaved family

Please accept the expression of our deepest sympathy for the tragic and untimely loss of your husband and our Managing Director

BENSION SHELEMAY

Chairman, Board of Directors and Staff of Dimona Textiles (1979) Limited

To Mrs. Ruth Shelemay, Eyal and Guy

Our sincere and deepest condolences to you and all the family for the sudden loss of your husband and Managing Director of Dimona Textiles (1979) Limited

BENSION SHELEMAY

Management and Staff of Maurer Textiles S.A. Geneva, Switzerland

The International Board of Directors
Administration and Staff
Shaara Zedek Medical Center, Jerusalem
share in the grief of our dear friend,

Esther Elefant
and her family,
on the passing of her father

JACOB PLATT י"ל
buried in Jerusalem.

המקום ינחם אתכם בתוך שער אבלי ציון וירושלים

In loving memory of
VIVIANNE
a woman of great courage
for the deep friendship between us.

Lou Adler

India plans broad reform of Punjab state government

NEW DELHI (AP). — A Hindu priest and a Sikh militant were killed in Punjab yesterday, and an official of the Sikh-dominated district said the administration there will be restructured before the military is withdrawn.

Indian Deputy Home Affairs Minister P. Venkatasubbiah said the state government had collapsed in the face of Sikh terrorism before the Indian Army invaded the Golden Temple. The government said the raid was necessary because the temple was a base for Sikh extremists.

"The entire Punjab administration, including the police force, is to be restructured," the United News of India quoted Venkatasubbiah as saying in Madras.

He did not say what steps would be taken to overhaul the government. Army troops combing the coun-

tryside for Sikh terrorists arrested 28 suspects yesterday, the government announced. The arrests increased the number of detainees since June 4 to 4,240, according to government count.

In a gun battle between soldiers and Sikh extremists, one militant was shot to death and four captured in the village of Bhurewal, 400 kilometres north-west of here near Amritsar, the official spokesman said.

Suspected Sikh terrorists fatally axed a Hindu priest in Punjab's Hoshiarpur district, state police reported.

In Uttar Pradesh state, Prime Minister Indira Gandhi told a public meeting yesterday that the army was called out because Sikh protests had "slipped into the hands of terrorists, anti-national elements and smug-

Shultz: Hit terrorists before they have a chance to strike

WASHINGTON (Reuters). — Secretary of State George Shultz, reaffirming America's determination to combat terrorism, yesterday urged U.S. allies to consider pre-emptive action to root out terrorists before they strike.

Shultz said the discussion of pre-emptive measures at the London economic summit this month was a welcome sign that the industrial countries of the West "share a common view of the terrorist threat."

No details of the pre-emptive action discussed at the summit were disclosed. But in a declaration, the

leaders of the U.S., Japan, West Germany, France, Britain, Italy and Canada said they are resolved to develop new measures in the fight against terrorism.

Shultz's call for pre-emptive action was contained in a speech prepared for delivery to a conference on international terrorism at Washington's Jonathan Institute.

He did not specify what actions should be taken, but said it is time for western democracies to abandon "passive defence" against such groups.

Thousands gather in Paris to protest school reform

PARIS (AP). — Hundreds of thousands of people swarmed through the streets of Paris in a day-long demonstration yesterday to protest a new measure passed by the National Assembly reforming the nation's private schools.

Opponents of the bill, which has yet to be reviewed by the Senate, believe it encroaches on freedom of education and is the first step toward integration of France's public and private school systems.

Two million of the country's 12 million schoolchildren, nearly 16 per cent, attend private schools. 94 per cent of which are Roman Catholic. Though called private schools, they in fact still receive substantial public funding.

The reform bill passed by the assembly in May gives private school

teachers the option of retaining their current status or choosing civil service ratings.

The flow of demonstrators lasted throughout the day. Thousands of riot police and gendarmes remained out of sight in buses around the city, leaving security to about 25,000 people designated by the organizers and wearing orange armbands.

The organizers said by mid-afternoon the number would be 1.5 million or more.

Quake hits S. Domingo

SANTO DOMINGO (AP). — A strong earthquake hit the eastern end of the Dominican Republic yesterday morning, but there were no immediate reports of casualties or damage.

Democratic platform certain to be challenged

WASHINGTON (AP). — The 184-member Democratic Platform Committee on Saturday unanimously approved a 35,000-word political document tailored for Walter Mondale's political candidacy, but also borrowing heavily from campaign promises of Sen. Gary Hart and the Rev. Jesse Jackson.

Approval came after the Mondale-dominated panel rejected a succession of efforts by the former vice-president's two rivals to win further concessions.

That set the stage for floor battles next month at the party's nominating convention in San Francisco over defence and foreign-policy planks.

However, representatives of Hart and Jackson said their candidates were generally satisfied with the platform, a statement of party philosophy and goals containing a stinging indictment of President Reagan's

economic policies. Hart representatives indicated they intended to bring to the convention floor a rejected proposal urging that U.S. military force not be used in any part of the world where U.S. objectives are not clear.

Hart originally had proposed a tougher plank ruling out the use of land forces in any oil war in the Arabian Gulf. But that measure was repeatedly blocked by Mondale delegates, and on Saturday even Hart's watered-down version was turned down by the panel.

Hart delegates will also help Jackson's supporters round up the necessary votes at the convention for a minority plank on the convention's proposal for a 20 per cent cut in defence spending.

The platform blasts huge federal deficits under Reagan's four-year term, vows to restore many cuts in

domestic programmes made by the Republican administration and urges "sensible arms-control agreements."

Meanwhile, San Francisco Mayor Dianne Feinstein, the first woman interviewed by Mondale as a possible running mate, said Saturday that a female president "is no longer incomprehensible" to most Americans.

The mayor conceded that she once thought the fact she is a Jewish woman from a controversial city might be too much of a handicap.

"Obviously, there would be some who would make a decision based on my religion and say, 'I'm sorry, I can't go that way,'" she said.

But she said a number of people told her "Kennedy (a Roman Catholic) went through it for everybody and people are looking at the White House differently."

Allies kept mum on Japan's alleged use of poison gas Silence said price for germ-war secrets

LONDON (AP). — Japan used poison gas and other chemical weapons in its war against China from 1937 to 1945, but the U.S. and Britain kept it secret in exchange for Japanese information on germ warfare, *The Observer* reported yesterday.

A Tokyo report in the weekly said the chemical-warfare facts, discovered after the end of World War II, were not revealed to the Tokyo war-crimes tribunal to protect U.S. and British interests.

The *Observer* said the facts are in a report by a team of American investigators that has been declassified in the Washington National Archives, which it did not otherwise identify. It said a secret memorandum from the Joint Chiefs of Staff in Washington to Gen. Douglas MacArthur in July

1946, forbade disclosure of Japanese chemical warfare to anyone other than the British Commonwealth without reference to the JCS.

"While neither the British nor U.S. defence establishments were interested in the old-fashioned, but deadly, Japanese chemical weapons discovered, Japanese developments of sophisticated germ-warfare weapons were treated as essential to allied security," the report said.

"Immunity from prosecution for Japanese who used chemical weapons was the price given to members of the notorious 731 Division in exchange for their germ-warfare data."

Although Japan was a signatory of the 1925 Geneva protocol banning offensive use of chemical and bacteriological weapons, investigations in

China by U.S. prosecutors attached to the Tokyo tribunal found there were 36,968 Chinese casualties of Japanese poison gas, of whom 2,086 died, the report said.

The *Observer* said that Japan established a chemical-warfare training school in 1933 at Narashino, 33 kilometres east of Tokyo, and turned out some 3,350 chemical-warfare experts "most of whom participated in the 1,312 recorded cases of chemical-warfare use in China."

The report said most of the poisons were produced on "Okunojima Island, off the coast of southern Hiroshima." It added that the island is now used by about 100,000 Japanese vacationers every year, unwittingly bathing in waters "where huge amounts of chemical weapons were put to rest."

Police raids revive fears of political strife in Portugal

LISBON (AP). — The detention last week of 42 people, including revolutionary hero Lt.-Col. Otelo Saraiva de Carvalho, in a nationwide police crackdown against an extremist group has served as a catalyst for reopening traditional political animosities in Portugal.

Began before dawn Tuesday, the police operation entailed court-ordered searches and detentions all over the country, with agents turning up quantities of explosives, illegal automatic weapons and stocking masks.

Some Portuguese saw political significance in the police actions. Controversial security bills proposed by

the government were due to be debated the same week in parliament. Controversy has also arisen because one of the houses searched was Saraiva de Carvalho's.

"I have heard this (crackdown) could have been done one or two, or even three months ago," parliament deputy Cesar Oliveira of the tiny centre-left party UEDS, said in a newspaper interview Thursday. "I don't understand why it was done now."

Otelo, as Saraiva de Carvalho is popularly known, is an active duty, and subject to military law. His house was searched by civilian police last Tuesday. He was detained by civilian police the following day, and placed in custody in a civilian prison to be held incommunicado for 20 days.

The security laws before parliament will build a civilian intelligence system to compete with the military's monopoly intelligence-gathering.

Otelo was the chief planner of the April 25, 1974, military coup that brought down 48 years of right-wing dictatorship. He also led the all-powerful military police during the 18 months of Portugal's revolution.

Judge orders arrest of Argentine ex-president

BUENOS AIRES (Reuters). — A federal judge has ordered the detention of former Argentine president Roberto Viola in connection with the disappearance of a state technician in late 1978.

Viola, who is also leader of the Shi'ite Moslem militia Amal, said last night police were making every effort "to solve this deplorable crime so that the criminals may meet their just retribution."

According to security sources, Viola was shot after refusing to hand over his car to two armed men and his wife were parked outside their West Beirut apartment.

Custom Built Pieces from Menahem's Furniture Workshop

An expert fine carpenter. With the skills of the oldtime furniture joiners. Now offers custom service in your home in the Sharon and Gush Dan areas. Menahem's Workshop offers special prices on all types of carpentry work.

* LIVING ROOMS
* BEDROOMS
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Other custom woodwork special orders for private homes and villas.

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Plan your picnic with our special picnic pack — includes Hamburger Steaks, 8-8 Spare Ribs (10 kilo minimum).

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Jerusalem: Tel. 02-86244

PELATI: Tel. 03-921139

BEERSHEVA: Tel. 057 416538. 057 37072

Vietnam pares army strength in Kampuchea

HO CHI MINH CITY (AP). — A military convoy of some 3,000 soldiers arrived here from Kampuchea yesterday, and Vietnamese officials said the move was part of a planned partial withdrawal of its troops.

Vietnam says the withdrawal is the third in three years and will, by the end of June, bring out of Kampuchea about 10,000 of its occupation troops, which western estimates put at 150,000-170,000.

Since its 1971 invasion of its neighbour to the West, Hanoi has been trying to stamp out a guerrilla force of up to 50,000 led by Kampuchea's former rulers — the Communist Khmer Rouge. Prince Norodom Sihanouk and Son Sann, leader of the Khmer National People's Liberation Front.

Hanoi's invasion toppled the Khmer Rouge and the Vietnamese have since painted themselves as Kampuchea's liberators.

In an interview, Vietnamese Ambassador to Kampuchea Ngo Dien said Vietnam can gradually withdraw its forces since the Kampuchean Heng Samrin army has grown increasingly strong.

He also strongly rejected charges that the withdrawals were troop rotations.

Foreign journalists invited to witness the ceremonies on the route from Phnom Penh to Ho Chi Minh City saw about 150 Vietnamese military trucks and jeeps carrying the troops.

Secrecy surrounds U.S.-Nicaragua talks, due today

MANAGUA, Nicaragua. — U.S.-Nicaragua talks on easing tension between the two countries are to resume today in Mexico, according to government sources here.

The sources, who declined to be identified, said the meeting was agreed on last Thursday in Washington, but said U.S. State Department officials have refused to confirm the meeting publicly, preferring to keep the talks "private and confidential."

According to the Mexican government news agency, the talks are to take place in the coastal city of Manzanillo, 1,000km. west of Mexico City.

The meeting would be the second between the two states since Secretary of State George Shultz's surprise visit to Managua on June 1.

The U.S. supports the guerrillas who are attempting to overthrow the Marxist government in Nicaragua.

"There are many meetings to take place. We would prefer that it would be private and confidential and not under the glare of the media," said a spokesman who requested anonymity. (AFP, AP)

Murdered diplomat resisted theft of car

BEIRUT (Reuters). — The Austrian diplomat Gerhard Loitzenbauer, shot dead in West Beirut on Saturday, was resisting an attempt to steal his car, according to the Lebanese Justice Minister Nabih Berri.

Berri, who is also leader of the Shi'ite Moslem militia Amal, said last night police were making every effort "to solve this deplorable crime so that the criminals may meet their just retribution."

According to security sources, Loitzenbauer was shot after refusing to hand over his car to two armed men and his wife were parked outside their West Beirut apartment.

"Although initial information indicates that the aim of the attack was the theft of the victim's car, this does not reduce the gravity of the incident," Berri added.

As leader of the powerful Shi'ite militia, Berri has tried to prevent West Beirut from sliding into total anarchy since the Moslem takeover, but daylight armed robberies and kidnaps have been frequent.

In another incident on Saturday, Libyan diplomat Mohammed Mouhraby and his two bodyguards were kidnapped by 10 gunmen at West Beirut's Bristol Hotel. They offered no resistance and have not been heard of since.

Sports Sun kings near eclipse

Post Sports Staff

France, described as the "sun kings" of today's soccer, came close to being eclipsed by the unknown star of Portugal in Sunday night's two-hour thriller in the semi-final of the European Championship in Marseille.

Before Michel Platini scored his 119th minute goal to give France the victory in the dying moments of extra time, it seemed that the French vision of grandeur would turn into a nightmare.

"I thought we came back from hell. When Portugal scored in extra time, I thought our dream of reaching the final was shattered. I really thought it was my last game," French manager Michel Hidalgo said.

Hidalgo hopes to crown his imaginative eight-year reign in the final in Paris on Wednesday before bidding his throne.

While Platini, European footballer of the year, who has scored eight goals in four games in this championship, provided the storybook finish, the real hero of the French side was the young Jean-Francois Domingos, who celebrated his 27th birthday by scoring two brilliant goals.

For gallant underdogs Portugal, who he deserved to gain at least a draw at the end of 120 minutes, the star was Rui Jordao, a 31-year-old veteran who has been in the national team for 12 years. He scored two goals, one a volley and the other a perfect header, and wandered in and out of the fragile French defence like a ghost. It was no wonder that the French talked of a "nightmare."

Decker does it

LOS ANGELES (AP). — Mary Decker, the U.S. premier woman distance runner, who is determined to compete in the Olympic games for the first time, won the women's 3,000m. race in the U.S. Olympic track and field trials on Saturday night.

The 25-year-old world champion was timed in 8 minutes, 34.91 seconds, the fastest by an American this year and the second-fastest in the world, to earn her an Olympic berth.

Recently, she said, "I got goose bumps thinking about the Olympics. I've really excited about the whole Olympic thing. The last time (1980) was such a let-down because of the American boycott."

Meanwhile, there are indications that the women will win their fight to have the 10,000m. included in the 1988 Olympic programme. The IAAF (International Amateur Athletic Federation) has recommended this inclusion to the International Olympic Committee, which determines events for the Olympics.

Not too old at 37

By JACK LEON
Post Sports Reporter

HERZLIYA. — Second-seeded Yonatan Ben-David, 37, of Ashdod, might prove that he is as good as ever at 37 by regaining his 1982 open title at the Israel Squash Racket Association's eighth national championships here. He cruised past No. 4 seed Phil Bjornsen, 26, by 3-0 (9-2, 9-4, 10-8) in the 40-minute final. The week-long tournament was held at the Herzliya Squash Centre, under the sponsorship of Bash-Gal Sheba Sports.

Berman — a former long-time South African field hockey captain — defeated six-seeded Barry Ousley 3-0 in the semi-final. In the other half of the 64-draw, Bjornsen reached the last 16 round with an upset 3-2 victory over No. 1 seed Jayry Nathan, holding on tenuously to win the last game 9-5, after the favourite had come back from a 0-2 deficit to level at 2-2. Nathan went on to beat Ousley 3-1 in the match for third place. Berman is also through to the last round of the over-35 competition, with his final against Peter Sharrock scheduled to take place next week-end. James Amihoud defeated Maurice Wilensky 3-0 in the over-45 final.

Nadine Knapp, 22, retained her title in the 16-draw women's event, sweeping past Claire Levine, 16, 3-0 in the last round, for the lots of only two points. Vivian Brodie beat Leora Jossan in the contest for third place, also in straight games.

Israeli disabled win medals

By JACK LEON
TEL AVIV. — Israeli sportsmen won two more medals — one gold and one bronze — over the weekend at the Third International Games for the Disabled in Uniondale, New York.

Yaron Epstein gained the gold medal in table tennis by virtue of a 2-1 victory over his Swedish opponent in the final. Swimmer Miri Siso took the bronze in the 100m. breaststroke.

In volleyball, Israel scored a five 2-0 victory over Germany. Israel had earlier collected four medals at the games, two silver and two bronze.

Israel is represented by 32 athletes at the 54-nation meet for blind people, amputees and cerebral palsy victims. A total of 3,000 athletes are participating in the event.

Baseball: Saturday

National League
Chicago 12, St. Louis 11, 11 innings; Los Angeles 10, Atlanta 2; New York 2, Montreal 1; San Diego 5, Cincinnati 2; Philadelphia 7, Pittsburgh 5; San Francisco 7, Houston 5.

American League
Detroit 5, Milwaukee 1; Toronto 9, Boston 3; Oakland 5, Texas 1; New York 5, Baltimore 4, 11 innings; Minnesota 4, Chicago 3; Kansas City 6, California 5; Cleveland 11, Seattle 4.

Notice to Members of Kupat Holim Me'uhedet

Dear Members
With the impending rise in members' dues in July, 1984, we request you to pay your arrears immediately. Debts which are unpaid by June 29, 1984, will be charged according to the July, 1984 rates.

Members
Protect your rights —
pay your dues on time!

Kupat Holim Me'uhedet

INTELLECTUALS IN DEFENCE OF DEMOCRACY

Against the banning of the Progressive List for Peace

Following the disqualification of the Progressive List for Peace by the Central Elections Committee, a meeting of intellectuals in defence of democracy will take place at

Ohel Shem, Tel Aviv, 30 Balfour St., Tuesday, June 26, 1984 at 7.30 p.m. The evening will be opened by: Micha Haran (cello)

Among the speakers:
Prof. Yeshayahu Leibovitz • Amos Kenan • Dr. Sami Mara' • Dr. Arie Simon • Prof. Marcello Deskal • Prof. Adi Temam • Dr. Shimon Balas • Dr. Meir Pail • Dr. Nazir Yunes • Rafi Lavi • Dan Kedat • Jehi

"THAT IN A FREE STATE EVERY MAN MAY THINK WHAT HE LIKES, AND SAY WHAT HE THINKS" (SPINOZA 1670)

Israel Lands Administration
Central District

Offer of Lease of Plot for Construction of 26 Housing Units at Ramat Eliahu — Rishon LeZion
Tender No. 37/34/M

The Israel Lands Administration invites bids for a contract for the development of a plot, details of which at the time of publication of the tender are as follows:

Block	Parcel	Approx. area (sq.m.)	Total building percentage on 4 floors (incl. balconies)	Minimum price IS	Deposit IS
7281	153	2174	145%	34,184,347	1,700,000

On the plot stands a 4-storey building frame. Ten housing units may be built per storey, giving a total of 40 housing units. Building status — concrete frame with flat concrete roof built, part of the external walls completed, floor tiled. The plot has been assessed on the basis of the currently applicable Municipal Building Plan No. 1/1 R21 and the above data. Details, sample contracts and bid forms are available at our Tel Aviv district office, 88 Derech Petah Tikva, Tel. 335211, during regular working hours. Deadline for submitting bids is 12 noon on July 25, 1984. Bids not found in the tenders box at the above time, whatever the reason, cannot be considered. The Israel Lands Administration does not undertake to accept the highest or any bid.

Israel Lands Administration
Haifa District

Offer of Lease on 4 Plots for Construction of 12 Housing Units per Plot at Khyat Yam

The Israel Lands Administration invites bids for a contract for the development of land, details of which at the time of publication of the tender are as follows:

Tender	Block	Parcel	Plot	Approx. area	Development costs (IS)*	Minimum price (IS)	Deposit (IS)
39/84/H	10425	14	154	3574	9,667,296	15,048,946	750,000
40/84/H	10425	14	155	3574	9,667,296	16,704,331	835,000
41/84/H	10425	14	156	3009	9,667,296	15,000,170	800,000
42/84/H	10425	14.16	157	2531	9,667,296	16,402,352	820,000

* Linked to April 1984 building index (230.7 points), and to be paid separately to Arim, in accordance with the development contract to be signed with that company.

On the Municipal Building Plan (No. 260) the area is designated a residential area (type gym) and 3-storey housing construction will be permitted — 12 housing units per plot, each unit of 180sq.m., gross area. Details, sample contracts and bid forms are available at our Haifa district office, 13 Rehov Ha'atzmaut, Tel. 04-560891, during regular working hours. Last date for submitting bids is 12 noon on July 25, 1984. Bids not found in the tenders box at the above time, whatever the reason, cannot be considered. The Israel Lands Administration does not undertake to accept the highest or any bid.

Israel Lands Administration
Central District

Offer of Lease on Plot for the Construction of 16 Housing Units in Ashdod — Yod-Alef Quarter — Tender 38/84/JM

Bids are invited from those interested in signing a development contract for a plot, the details of which at the time of publication of the tender are as follows:

Urban building plan	Plot no.	Approx. area sq.m.	Total building percentage on 4 floors	Minimum price IS	Deposit IS
7 592 Z	400	1,840	120	23,566,895	1,100,000

The urban building plan prescribes a building percentage of 30 on each of four floors + a pillars floor. Number of units: 16, plus 25% for construction of balconies only. Details, sample agreements and bid forms are available at the Administration's Jerusalem district office, 34 Rehov Ben Yehuda, Tel. 224121, during regular working hours. Last date for submitting bids is 12 noon on July 25, 1984. A bid not found in the tenders box when it is opened, whatever the reason, cannot be considered. No undertaking is given to accept the highest or any bid.

Israel Lands Administration
Haifa District

Build Your House in Tivon

In cooperation with the local council, the Israel Lands Administration announces registration for the above scheme, under which 10 two-family plots will be allocated for the construction of 30 housing units. Registration will be at the offices of the Engineer of Khyat Tivon Council, starting June 26. Registration is possible between 9 a.m. and 12 noon on Sunday, Monday, Tuesday and Thursday. Registration will close at 12 noon on July 22, 1984. Additional particulars and a detailed prospectus are available at the office of the Engineer of Khyat Tivon.

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Sport
Sun kings
near eclipse
Decker does it
Not too old at
Israeli disabled
win medals
Baseball: Samurai
DEMOCRACY

Focus

IN THE DAYS before the last cost-of-living index was published, industrialists were complaining bitterly about the extortionate rate of bank loans.

Assuming, they were saying, an inflation-rate in May of 14 per cent, it works out that they were paying, in real terms, 6 per cent a month (index plus 6 per cent), which is crazy.

Dr. Zvi Sussman, formerly deputy governor of the Bank of Israel, now professor of economics at Tel Aviv University, does not think this distortion is intentional. It is a chance result of the catch-as-catch-can economic policies in vogue.

Should the law be changed? "The law should be changed, the policy should be changed, people need to know where they stand."

How high then should interest rates be? "They should be high at the present time, regrettably. We need less spending, because the government is overspending."

Why regrettably? "Because when interest rates are high, people do not invest, therefore the economy doesn't grow." So why advocate high interest rates? "The Treasury is running a deficit. When that happens growth has to be sacrificed."

"Looked at another way, growth cannot happen under these conditions. Through its overspending, the government monopolizes labour and other resources, which stop being available to industry."

So how to restore growth? "By getting the state budget. Then interest rates can be lowered and investment resumed. In the long term, that is the only way out. Credit cannot be cheapened until the government reduces its outlays."

Still, the government has made economies, hasn't it? "Only in part. During the last four years there has been a slowdown of civilian expenditures, but since the Lebanese war this is offset by an increase in military expenditure."

"So we are back where we started, only worse off (collectively) than before."

But can we afford to reduce military expenditure, given that Saudi Arabia alone spends almost five times as much on arms as Israel?

That disparity, alarming in itself, will get worse, in Sussman's view, unless growth is restored to the economy. "We have to cut government expenditure, including the defence budget - in order to let production increase. Once production increases, defence expenditure can be allowed to go up again, consonantly with the rise in output."

"If we don't rediscover the dynamic of economic growth, we shan't be able to keep up with the arms race," he concludes.

YET THERE has been an improvement in economic performance, the statistics show it. Exports have gone up in the first five months of 1984 by 11 per cent, imports down by 4 per cent. There was also much talk during the Jerusalem Economic Conference about the remarkable expansion of science-based industries in Israel.

"Concerning SBI's we are living in a decade of change, and the shift to high technology is a positive development. The broader picture, however, is one of limited investment and slow growth. This doesn't, as I say, prevent individual plants from showing impressive results."

"As to the improved foreign-trade figures, they result from last Octo-

The Jerusalem Post's David Krivine talks to Professor Zvi Sussman (below)

'If your house is flooded, you must find the source of the leak...'



ber's devaluation, and were achieved at the cost of an accelerated inflation.

"This inflation erodes the benefits achieved by the devaluation. The improvement is temporary, the problems are catching up."

But wages have gone down, which should reduce both production costs and budgetary outlays. "That is temporary too. Always in the past after a big devaluation wages have lagged but only for a time. Wage-cutting devices don't work as long as the government continues to overspend."

"It competes with the manufacturers for labour, pushing its cost up again. Strikes ensue and in the end the salary bill is bigger than it was before." This upward thrust is happening right now, as can be seen by glancing at newspaper headlines.

"Anyhow, reducing workers' pay is not the way: what must be reduced is employment in the public service."

Which means creating unemployment? "Yes."

MORE JOBS must be created in industry and there should be less jobs in the public sector. Phase One is less jobs in the public sector, so we start with a worsened employment situation.

The challenge to policy-makers, says Sussman, is how to keep the number of workless to a minimum, and how to shorten the period of unemployment. This brought us to another problem afflicting the economy.

It started with a question I had asked earlier about the budget. Finance Minister Cohen-Orad appears to disagree with Prof. Sussman. According to him the budget, both civilian and military, has been reduced. This suggests that the core of the problem lies elsewhere.

If overall demand remains high, may it not be because there are too many financial assets in the hands of the public? Could the cause of government overspending be that so many loans and bonds are coming up for redemption, putting a lot of cash into circulation?

Sussman: "Let us separate the two subjects, the budget published by the government, and the financial assets owned by the public. As concerns the budget, what happens is

familiar by now and is happening again under our very noses. The Treasury starts with the announcement of cuts, but by the end of the year those economies have evaporated."

New outlays are cropping up at this moment which did not appear in the estimates - hence the resignation the other day of the Treasury's director-general, Emanuel Sharon. "So let's treat with proper caution all optimistic statements about budgetary asceticism."

"As regards financial assets held by the public, it is stupid to deplore that as something negative. People were encouraged to save and have saved. It is to the credit of past governments that investors put their savings into government papers."

"It is true that these papers are redeemed at an uneven pace, but that should normally not present a problem. The public want to reinvest, and although the level of savings has declined, it is still high by international standards."

"The problem is that they have lost their faith in the government papers. They continue to save, but not by lending money to the Treasury. They buy dollars instead, or durable goods (e.g., they acquire a new car before they need to, as a way of putting money aside). Factories stock up excessively with raw materials, because they prefer to hold goods rather than a depreciating currency."

"These are not useful savings, the cash would be better invested in financial assets yielding a return. The government has to do something about that, it must do battle with the loss of faith."

How? "If your house is flooded with water, it's no good scooping the water out with buckets, you must find the source of the leak and plug it. There is one way and one way only to restore faith in the government's reliability as a borrower: to reduce - as I said, and keep saying - the budget deficit."

"If the government stops overspending, it will borrow less and that should reassure the public. Once the government reduces its obligations to what it can cope with, confidence will be restored."

INFLATION is a disease that can deteriorate to the point of damaging the government's capacity to govern. At the moment the Treasury protects exporters from rising costs by devaluing the shekel. But if inflation continues to reach double figures each passing month, the adjustment of wages and other input costs will be so rapid that the effects of devaluation will be dissipated overnight.

"If all prices go up after devaluation, and not just the import and export prices, the government will no longer be able to improve the profitability of industry through adjustments in the exchange rate."

So inflation must be leashed. What are its causes? There are two, one superimposed on the other. The first cause is government overspending, the second is the public's expectation that prices will go on rising.

Reducing budgetary expenditure is step number one. Step number two is to persuade the public that prices will stop rising. They need a lot of convincing. Other countries have resorted to the creation of unemployment.

The question is, how much unemployment. If it rises to a staggering 15 per cent, the public would be effectively convinced that the boom is over and done with, and that prices are likely to stabilize. The expectation itself would contribute to creat-

ing the stabilization.

But we do not want heavy or chronic unemployment. A certain amount of joblessness is unavoidable. It should be limited to "frictional unemployment," that is, as many redundancies in the overmaned public sector as are likely to be absorbed in the sector (the export industries) scheduled for growth.

Sussman believes that with proper budgetary policies, the number of jobless could be limited to an increase of no more than two per cent, from the present 5 per cent to around 7 per cent.

Would that persuade the public (including banks, business firms and trade unions) that inflation is at an end? Not by itself. Something more drastic is needed, giving clear evidence that the old ways belong to the past and that a new age has dawned. Creating massive unemployment is not the answer.

But dollarization could be, in Sussman's opinion - dollarization or something equally dramatic.

SURELY the whole point about dollarization is that the Bank of Israel cannot print dollars, so overspending would stop automatically?

Sussman disagrees. If government departments want to spend more, they will find ways of doing it. There are plenty of stratagems and devices. The Treasury could borrow foreign currency abroad short-term to finance domestic outlays. Or it could reduce the liquidity ratio, leaving more money in the hands of the banks for the Treasury to borrow.

"You can't cut the budget by such tricks. The ministers have to decide what items shall be sacrificed. The change must be done consciously and deliberately, there is no other way."

"That would be Act One in the

plan for economic reform." Only after Act One has been staged can Act Two follow, to ram the lesson home. The merit of dollarization is that it is dramatic and may shock the people out of their lethargy.

"Dollarization has started already, many prices are denominated in the American currency. We may as well go the whole hog and get the advantages of this as well as the disadvantages."

"To introduce the dollar as a legal tender (side by side with the shekel) is like going back to the gold standard. The nation will believe that inflation has been tamed because, although Israel can inflate the shekel, it certainly cannot inflate the dollar."

"Once the Israeli currency is indissolubly dollar-linked, there will be no room for further devaluations. Then the wheel will come full circle. The government will have improved

its credit standing by spending less and therefore borrowing less. That makes price stability possible.

By adopting the dollar as a means of payment the cabinet will be putting its money where its mouth is. The public will be convinced that the authorities mean what they say. Price stabilization will be more than just a possibility, it will become a reality.

Dollarization itself is not a must. There could be instead a "social contract" between government, employers and labour, freezing prices, wages and taxes. That might work too. Something sensational is necessary to signal to all and sundry that there has been a decisive change of direction.

Otherwise over-pricing (of goods and services by employers, also of wage demands by the unions) will continue in anticipation of inflation. And expectations tend to be self-fulfilling.

WHAT ABOUT the economics of electioneering - is the effort to butter up the voter going to cause damage?

The error that Prof. Sussman fears most is the error in Treasury policy that he opposed last time round and that caused his dismissal as deputy-governor of the Bank of Israel.

Two years ago Finance Minister Yoram Aridor wanted to keep prices down at all costs - even at the expense of the balance of payments, by holding off on devaluations. The over-valuation of the shekel channelled more goods to the local market by cheapening imports and discouraging exports.

Sussman and others at the central bank opposed Aridor's approach tooth and nail - hence they had to go. "I hope that the government will refrain during the coming weeks from resuming its former policy of slowing down the devaluations."

"The trouble is not so much that the public will spend more on cheaper imports and travel more abroad, though that is bad enough. The serious danger is that asset-holders will flee towards foreign currency. Expecting a big devaluation in the course of time to redress the balance, they will discard their Israeli holdings."

"In the end the government will be forced to devalue more than is really necessary, in order to stem the hysteria. And the inflationary spiral will be resumed again."

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DON'T WASTE PRECIOUS NATURAL RESOURCES SAVE WATER

Context

JEWISH EDUCATION — what's it all for anyway? I complain to Barry Chazan. People get bored when they see the word in the newspaper. "I know," says the 42-year-old, laconic Chazan. "That's the trouble. But you see, it's that moment when your child connects with his past."

Dr. Barry Chazan is disarming. A moral education scholar, he is blond, skinny and often strives to give the impression that his deeper interests are jogging. Billy Joel and Little Richard. As director of the Samuel Melton Centre for Jewish Education in the Diaspora at the Hebrew University's School of Education on Mount Scopus, he sits lightly in a pompous environment.

Last week Jerusalem saw the World Leadership Conference for Jewish Education and all this week Mount Scopus will host the Melton Centre's own Research Conference on Jewish Education. Just how many Jewish education conferences does one summer need?

Chazan points out that this week's effort, which brings over 100 academics and delegates from all over the world, is a research conference and there's only been one of them since 1947. "It's because the Jewish world doesn't take

A piece of the past

By SUSAN BELLOS/Jerusalem Post Reporter

research seriously. They feel the threat of assimilation so urgently that they all say: yes, yes, more and more Jewish education. Fewer people have asked: why, what for, and where's it going?"

The Research Conference will be about questions such as: what can be learned from the past in Jewish education and what can Jewish education learn from the social sciences, particularly educational psychology? The location will also be of some relevance. The Melton Centre has 50 full-time scholars specializing in Jewish education in the Diaspora, a figure unmatched by any other university department

in the world. Says Chazan: "We will be telling them, nicely I think, that Israel has arrived in the teaching of Jewish education in the Diaspora."

Social science in Jewish education means examining questions such as whether Hebrew language teaching should be the traditional 12-year spread or whether it can be learned better by intensive study within fewer years. Perhaps the psychology of character development will also help indicate, Chazan suggests, the age at which Diaspora kids are most receptive to Hebrew and Jewish learning.

THERE WILL BE some very well-known scholars at the conference.

Big bucks in Beersheba

By LIORA MORIEL/Jerusalem Post Reporter

here for?" First timers like me are assured that they have nothing to fear. Those who are familiar with the scenery will probably return again. And again. It's a game, and what's a game for if there's no chance of being caught?

Half the people are here for speeding. Some were clearly unlucky, caught going 61 km. per hour. One notch less on the speedometer and the cops would have had to shrug them away without even a warning. Others are chronic speed freaks who should perhaps get together and set up a facility for racing in the desert rather than on the highways, which are dangerous enough, usually, within the speed limit.

Then there are the peculiar

offences. A Beduin, for example, apprehended because his windshield was so muddy and dusty that it made vision nearly impossible. Someone recently tried to explain the bad habits of Israeli drivers by the theory that most of them are first-generation drivers, that their parents never had a car.

This certainly explains the cautious driving of the Beduin, but how can it explain the reckless driving of almost everybody else? And everybody seems to turn into and out of streets as if by afterthought, without signalling. That's what makes the traffic policeman's job so easy and the process so lucrative.

The judge enters, not the Hanging Judge. Relax. Now come the lawyers (you can take a lawyer to this court,

like any other, for a fee.) They manage invariably to get a deferment. A lesson in the old truths: time is money, and money buys time.

I met a man the other day, a new Israeli, who recounted an experience at the traffic court in Rehovot. It took him four hours just to get registered, then another few to get into the courtroom. In the end, after a lot of sweat, he was given a small fine and sent to the office to fix up his expired papers. He then found out that he could have done it all through the mail.

BUT I wouldn't have missed my day in court for the world. This is probably the only court in the land where justice is meted out equitably to all. And since everybody ends up being given at least a fine to pay, the government makes a mint. Crime pays — for the collector.

A young doctor, one of the leaders of the hunger strike at Beersheba's Soroka hospital last year, is here, having whizzed past a police car on his way to the hospital one night. The police prosecutor comes up with a computerized past, showing that the doctor has been caught for illegal driving before.

The young man calmly points out to the judge that, at age 13, he could hardly have been driving with a licence and that, in any case, this was a long-past childhood prank. He gets a fine and a suspended sentence.

But what a small price for such an important, unselfish contribution to the general welfare, the bolstering of the national economy!

rowly defined. Others ask whether it isn't rather rude to weigh and measure out the Jewish spirit.

The plain fact is that pluralism in Jewish education today may be making a virtue out of a necessity. For even if any kind of a line were ever laid down at any gathering of Jewish educators, nobody could ever enforce it. As Chazan says: "There's no centralized policy, nobody can tell a Jew in Mexico or Montreal how to interpret his Jewishness. Every Jew can and does make his own Shabbat."

CHAZAN is wary of spelling out his own Jewishness. The closest he will say is, "It's an 'X', a thing, a world view which affects, informs and enriches one's life. It's not an ideological package."

What this conference can do, Chazan says, is to provide "good, authentic models," which, he explains, are examples of "good schools which teach specific things such as Hebrew, Zionism or religion, in a serious way. This means schools which don't water down."

The models are there for the taking. It will be up to the Jews concerned to pick their own categories or ideologies.

A youth, one month on the road, tells the judge it was wide and empty and, therefore, he assumed that the speed limit, although within the city's boundaries, was 60. The police prosecutor calmly hands the robbed judge a photo taken at the scene, showing parked cars and even vehicles moving along the road. A fine, a suspension.

By the time my turn comes, half my arguments are forgotten and I'm almost tempted to say nothing. But I rally and give him an excerpt from my speech. The judge says he's taken the argument into consideration — the prosecution, after all, has asked for a fine only — and decides on a sum that is neither light nor severe. An expensive warning.

Happily, my argument later helped a friend lighten his sentence from the Hanging Judge at the District Court appeal. A month of *mitzim* also made the suspension of his licence less excruciating.

Another new Israeli who has had her share of tickets told me philosophically: "I love it when I'm stopped because I learn from it. I never make the same mistake twice."

The only side-effect from my little lesson is that now I pay almost as much attention to the speedometer as to the road.

But what a small price for such an important, unselfish contribution to the general welfare, the bolstering of the national economy!

WHERE IS the magical press that churns out money for the national economy? Does it flow from some mysterious machine in a government basement in Jerusalem? From a hideout just beyond the Green Line, from a development town? No. It comes, simply, from the country's efficient traffic courts.

I got onto the story by accident one day last November, when I was stopped for speeding. I spent five months preparing a case for the judge in my mind, getting less ready as my day in court neared. At last, early in April, the day arrived.

I wasn't the only one summoned to the Beersheba Traffic Court for 8:30 that morning. There were men from all walks of life, with attaché cases and shopping bags; with *kipot* and *keffiyas*. Jews and Beduin together. And a handful of women.

It was crowded and stifling. People shoved, and nearly everybody smoked. First, registration. Then, with luck, a seat in the judge's chamber. Otherwise, a long wait out in the congested hall.

The judge kept us waiting. Would it be the infamous Hanging Judge, or another? Whatever happened, the state coffers would swell.

People talk. Friendships strike up over the inevitable "What are you

FORKED TONGUE

RANDOMALIA/Miriam Arad

WHATEVER your ulpan teacher may have told you, Hebrew is a terrible language. Beautiful, yes, but so difficult, so full of traps for the unwary and the wary, that even those to the language born can't open their mouths without sinning against some rule or other.

A major reason is that Hebrew words won't stay put. Not just the verbs, of which more in a moment, but the nouns as well. To give a plain example, *bayit* is a house, but add the preposition "in" and it becomes *bayit* (i.e., *be-bayit*: add on the definite article and don't be too clever, because then it reverts to *bayit* again: *be-bayit*. Likewise, you may live in Petah Tikva, but in case you are asked, you should say you live *be-petah tikva*. It's enough to drive one round the bend.

As for the Hebrew verb, it's as

changeable as a chameleon. Worse, you barely recognize it under its different guises, for who would ever suspect that *nafali* and *epot* are one and the same verb — to fall — with only a change of tense?

Don't feel bad about it, though: nine out of 10 sabras haven't mastered the tenses either. They mix up the present *nireh* (it appears) with the past *nira*; they don't know whether gefilte fish is *dag memaleh* or *dag memuleh*, and invariably get such a simple form as "he'll catch" wrong, saying *yifos* instead of *yipfos* to a man.

CONFUSED? Let's move on to the question of gender, which is a holy mess. It's all very well to be told that —a endings are feminine and the rest masculine, but we all know that in real life it just ain't so.

Or maybe it is, but what's the use, if an egg, *baiza*, receives the masculine plural to make it *baizim* rather than *baizot*, whereas a wall, *kir*, which any sane person would pluralize as *kirim*, becomes, *duvka*, *kirot*. Why? *Kacha*.

It's probably also *kacha* that the Hebrew numbers behave just the opposite from what you'd expect. In their case, namely, the -a ending is invariably masculine: three boys are *sheloshah yeladim*. I'm sorry, but that's the way it is. Still, if you do say *shalosh yeladim*, you'll be in excellent company with about half the population of Israel.

Finally, there's this curious habit of omitting all vowels in print, with the result that quite a few people in Israel have two names. Knesset Member Ehud Olmert, for instance, is sometimes called Olmert, and sometimes Ulmert. On this point, dear reader, you have a clear advantage over the native, who doesn't know to this day whether the U.S. president is called Reagan or Reegan; the dictionary Webster or Wobster and the new jet plane Astra, Istra, or even Estera. Reduced to guessing, the Israeli seems on the whole to prefer the "oo" to the "oh" sound, which is why they call you over the "intercom," and risk life and limb tearing about on their "Hoondas."

Ah well. English isn't so easy either, but that's for another time.

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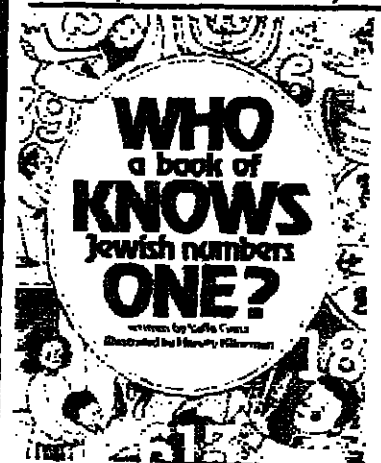
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The Nation

Cuomo Will Set the Tone For Democrats

In recent years, keynote speakers at Democratic national conventions have generally failed to parlay that exposure into bigger things. Governor Cuomo of New York, widely regarded as a man with ambitions that reach beyond the state line, may think he'll be the exception.

Last week, Charles T. Manatt, chairman of the Democratic National Committee, announced that on July 16 the Governor — who had said, sort of, that he didn't want to make the opening-night address — would in fact be the keynote in San Francisco. Party officials said the choice of Mr. Cuomo reflected recognition of his skills as a speaker, his position as a leading Italian-American and New York's standing as the state with the second-largest number of electoral votes. Mr. Cuomo, the first New Yorker selected as keynote since 1916, noted: "I doubt if I were the Governor of the Virgin Islands this would happen."

Aides said that Walter F. Mondale first popped the question in a phone conversation on June 12. Mr. Cuomo,



The New York Times, Paul Roseboro Governor Cuomo, right, with Charles T. Manatt last week.

who earlier in the year wrote Mr. Manatt that he didn't want to be the keynote, accepted last week. What Mr. Cuomo might have said somewhat more unequivocally no to was an offer to join Mr. Mondale's stable of prospective running mates.

Tom Bradley, who in 1973 became the first black mayor of Los Angeles and last week the first of the prospective No. 2's to come calling, spent three and a half hours at Mr. Mondale's home in North Oaks, Minn. Mr. Bradley and Mr. Mondale denied charges raised by the Rev. Jesse Jackson and some Republicans that the former Vice President was staging a kind of minorities parade to generate publicity.

Texas Senator Lloyd Bentsen and San Francisco Mayor Dianne Feinstein were visiting North Oaks yesterday. Mondale aides said the names of other contenders would be announced soon.

Senate Finishes Defense Budget

After two weeks in the trenches, the Senate last week finished work on the Administration's 1985 military shopping list.

The Senate's bottom line — \$299 billion — wasn't far from the House's figure, but there were differences aplenty in the fine print. Consequently, meetings of a committee that would try to resolve differences between the Senate's authorization bill and the House's \$282 billion version were expected to be marked by considerable oratorical shot and shell.

The MX strategic nuclear missile seemed certain to be a tough one. By a one-vote margin — provided by Vice President Bush — the Senate approved spending \$2.62 billion on 21 missiles, 19 fewer than the Administration asked for in its \$313 billion overall defense request. The House approved 15 missiles and said release of the funds could be triggered only by a joint resolution of Congress that would come next April.

The Senate approved deployment of sea-based nuclear-tipped cruise missiles; the House voted to delay deployment until late next year and further required that, among other things, the White House would have to report that the Soviet Union had sent comparable weapons to sea.

Otherwise on the Hill last week: The Senate agreed to avoid debating whether companies that file for bankruptcy should be allowed to dissolve union contracts, and went on to approve broad changes in the bankruptcy laws. Conferees quickly

settled in to attempt to make the Senate bill mesh with House legislation enacted in March.

Congress has been attempting to reorganize the system since 1982, when the Supreme Court ruled that bankruptcy courts had to be given greater independence or else be closed down. The debate was further complicated in February, when the Court ruled that a company filing for bankruptcy could abandon labor contracts. President Reagan last week signed an emergency extension allowing the Federal bankruptcy system to operate until this Wednesday.

The House Committee on Standards of Official Conduct recommended a reprimand for Representative George Hansen for failing to reveal details of his personal financial affairs. Mr. Hansen, who was convicted in April on four felony charges connected to his financial records, denied any wrongdoing.

Jobs Program Is Bugged Down

With Congress poised for a dash for the exits, 100,000 low-income youths were facing the possibility of a continued unwanted holiday. A Federally underwritten summer employment program might not have jobs for them unless the House and Senate clear a up a legislative deadlock before the start of the July 4th recess late this week.

At issue is a \$1.1 billion supplemental appropriations bill that includes \$21 million in emergency aid for Nicaraguan rebels — the sticking point — and funds for an array of domestic programs. In addition to \$100 million that would be added to an existing jobs-for-youths program, the bill would provide assistance for pregnant women and nursing mothers and pay for child-nutrition programs and food shipments to drought-stricken African countries.

Early in the week, Senate majority leader Howard H. Baker Jr., not especially eager to give the Democrats opportunities to pound his party with the "fairness" issue, proposed separating money for the Nicaraguan operation from the bill, which the Senate is due to take up tomorrow. But President Reagan let it be known that he didn't care for that approach. "We want the entire legislation," an Administration spokesman said at midweek. "We want the package as it stands."

House Speaker Thomas P. O'Neill Jr. charged that Mr. Reagan had offered up a "new proof of his unfairness." He continued: "There are 44 percent of the youth of America, particularly minorities, who are not employed and it could be more costly for us not to have them employed." Late in the week, there were reports that the White House might after all drop its insistence on immediate action on aid for Nicaraguan rebels.

Bids Are in For Conrail

Despite warnings that Conrail could be derailed by a national recession, 14 potential buyers have filed bids for the line formed in 1976 from the financial wreckage of the Penn Central and five other railroads.

Conrail, short for the Consolidated Rail Corporation, is largely owned by the Government and hauls freight along 14,200 miles of track, most of it in the Northeast. Transportation Department officials said the bidders meeting last week's deadline included such companies as Citicorp and a few individual investors, among them Kenneth Perryman, a Los Angeles investor, and Arthur E. Imperatore, a New Jersey trucker. Three other railroads — the Norfolk Southern Corporation, Guilford Transportation Industries and the CSX Corporation — also bid. So did the Railway Labor Executives Association, representing Conrail's union workers. Most offers involved combinations of cash and Conrail's unused investment tax credits.

The winning bidder won't be announced until after an extensive study by the department and then Congress has to be consulted on the sale. "We have a lot of questions about some of the offers," James H. Burney, Deputy Secretary of Transportation, told a Senate subcommittee last week. Capitol Hill is certain to have still more questions; some Congressmen have criticized the Administration's decision to sell Conrail, which had come highbidding back to the point of earning more than \$313 million last year. Altogether, the Government has spent \$3.2 billion on locomotives, freight cars and roadbed improvements.

Michael Wright, Katherine Roberts and Caroline Rand Herron

A Correction

An article in *The Week in Review* on June 10 incorrectly described the position that Charlee Hoyt, a member of the Minneapolis City Council, has taken on the equal rights amendment. She supports the amendment.

Platform Is Very Much Mondale's, Give or Take a Few Planks



Representative Geraldine A. Ferraro, Democratic Platform Committee chairman, and Mayor Richard Arrington of Birmingham, Drafting Committee chairman.

Visions of the Future Yield To Politics of the Moment

By WARREN WEAVER Jr.

WASHINGTON — Every four years for a few weeks, the leaders of both political parties claim for their respective platforms a significance and vitality that is very difficult to detect, even in trace quantities, during the other 47 months of the quadrennium. While the platform is being written and fiercely debated in committee and on the convention floor, it seems briefly to overshadow the candidates and the prize. Then it promptly fades from political consideration.

This sudden surge of issue popularity is partly a question of timing: there is an election-year gap between the end of the Presidential primaries and the first convention, and the politi-

cians and reporters have to have something to analyze during late June and early July. There is also a common guilt feeling among both groups about ignoring the issues in campaigns in favor of personalities and polls; treating the platform seriously makes them feel better about this, at least temporarily.

Last week, the Democrats were knee-deep in platform drafts, first in a theoretically compact and efficient subcommittee of 15 and then in a demonstrably unwieldy full committee of 184. By the end of the weekend, they hoped to agree on a platform to submit to the July convention.

This platform, painstakingly stitched together from old and new party dreams, going to say much about the exhausting primary competition of 1984, the winner and those who fell by the

wayside and the ideas they carried as they ran? Not likely. Instead, the drafting process indicated, it will reflect the immediate political realities as seen by Walter F. Mondale, whose delegates firmly control the entire platform process.

Are the "new ideas" of Senator Gary Hart going to work their way into the platform? On the basis of last week's meetings, a great deal of Hart language will be incorporated in the platform, but very little, if any, of it will involve notions with which Mr. Mondale is not fundamentally in agreement.

But the Rev. Jesse Jackson is not likely to fare as well, because his views are a good deal farther away from Mr. Mondale's. Mr. Jackson himself became so restive last week that he paid a call on his two lonely drafting committee members, spurring them to press his proposals. But there were no Mondale or Hart votes for these planks, and the Jackson strength alone is too small to force them onto the convention floor.

Midway in the platform writing, the Hart people professed to be very pleased with their success. Their spokesman, Representative Timothy E. Wirth of Colorado, said they "got along quite famously" with the Mondale majority.

The Hart forces lost a few planks in the early maneuvering — a pet project of the Senator's for retraining unemployed workers and a prohibition on the use of land forces in the Persian Gulf — but his lieutenants did not seem disposed to carry the disputes to the convention floor. Mr. Jackson, on the other hand, appears disposed to bring the issue of run-off primaries, which he regards as discriminatory, to the floor, but he may lack the necessary votes to get it there under the convention rules.

An Expanding Draft

Brevity became a victim of accommodation, as is usually true in platform drafting. "When in doubt, include" is the governing rule for candidates, like Mr. Mondale, who control a convention and are anxious to preserve unity. The original committee draft, estimated between 20,000 and 25,000 words when the week began, had swelled by perhaps another 10,000 words of Hart and, to a lesser extent, Jackson prose.

Although still in amendment stage, the basic platform contained just what is expected in a Democratic platform these days: detailed attacks on President Reagan and his policies, promises to slow increases in defense spending but not actually cut back, enthusiastic support for a bilateral nuclear freeze, continued support for legalized abortion without ever mentioning the word, harsh warnings of Soviet unreliability coupled with calls for renewed arms control, considerable caution in recommending high Federal spending.

All this took shape under the watchful eye of Representative Geraldine A. Ferraro of Queens, chairman of the overall committee. The fact that she is a potential Vice Presidential candidate was not lost on anyone. Early in the proceedings she confessed "Superwoman I'm not," but ran the talky platform show with a firm hand.

The Republicans, meanwhile, do not feel compelled to appear so small-D democratic about their platform, which will not go to the convention floor until late August. Instead of the traditional hearings around the country, they are simply holding closed-door drafting sessions, frankly conceding that all the input they need is the record of the Reagan Administration and the views of its leader. This process has produced a few audible grumbles but seems unlikely to ruffle the smooth surface of the Dallas convention.

Trip to Cuba Underlines Candidates' Differences

Jackson Trying Friendlier Persuasion

By GERALD M. BOYD

WASHINGTON — The Rev. Jesse Jackson last week called a halt of sorts to his running dispute with Democratic officials over party rules. Then, having made a gesture toward peace with his rivals for the Democratic Presidential nomination, he took off on a "fact-finding mission" to investigate an "escalation of war activities" in Central America.

Adopting a conciliatory tone, Mr. Jackson said he would abide by the will of the nominating convention on whether he should be awarded delegates in closer proportion to the 21 percent of the vote he received in the primaries and caucuses (he is expected to wind up with 7 to 9 percent).

He also said he would back the convention's nominee whether it be Walter F. Mondale or Senator Gary Hart. Addressing a convention of the National Baptist Congress in Gary, Ind., he called his rivals "decent men" with "humane instincts."

But even as he prepared for his flight by chartered jet to Panama City yesterday, Mr. Jackson was clearly not leaving the campaign trail. Stopping in El Paso, Tex., to address a convention of the League of United Latin American Citizens — he was the only candidate to accept an invitation to do so — he made yet another bid to add more Hispanic voters to his "rainbow coalition."

The president of the organization, Mario Obledo, who joined Mr. Jackson on his Central American tour, introduced the candidate as a "freedom fighter for all Americans." Mr. Obledo's immediate predecessor, Tony Bonilla, called on the organization's 100,000 members to "support the man who has stood with us — Jesse Jackson."

That brought rousing cheers in El Paso, but was not likely to carry much weight at the Democratic convention in San Francisco, even though Mr. Obledo said his group would pressure Mexican-American delegates to withhold their votes from Mr. Mondale on the first ballot and cast them instead for Mr. Jackson.

Meanwhile, a House Democratic Caucus con-

mittee appointed to study Mr. Jackson's complaints about the fairness of party rules agreed that some changes might be in order, but not this year. Mr. Jackson took the news calmly, praising the efforts of the committee and its chairman, Representative Morris K. Udall of Arizona, as "earnest."

If he lost a battle in a Washington committee room, Mr. Jackson clearly was hoping to win something in Central America. The agenda for his five-day tour included an address on Cuban television and meetings with Fidel Castro and President José Napoleón Durán of El Salvador. He was also expected to meet with Sandinista officials in Nicaragua and with representatives of the Contadora group — Colombia, Mexico, Panama, and Venezuela — in Panama City.

'Hypocrisy' Theme

Mr. Jackson said the trip would underscore what he said was a major difference between his politics and those of Mr. Mondale and Senator Hart — that he was willing to meet and negotiate in settings that might not be politically popular. As an example, he mentioned Syria, which he visited in December to secure the release of Lieut. Robert Goodman, a Navy aviator who was shot down over Lebanon.

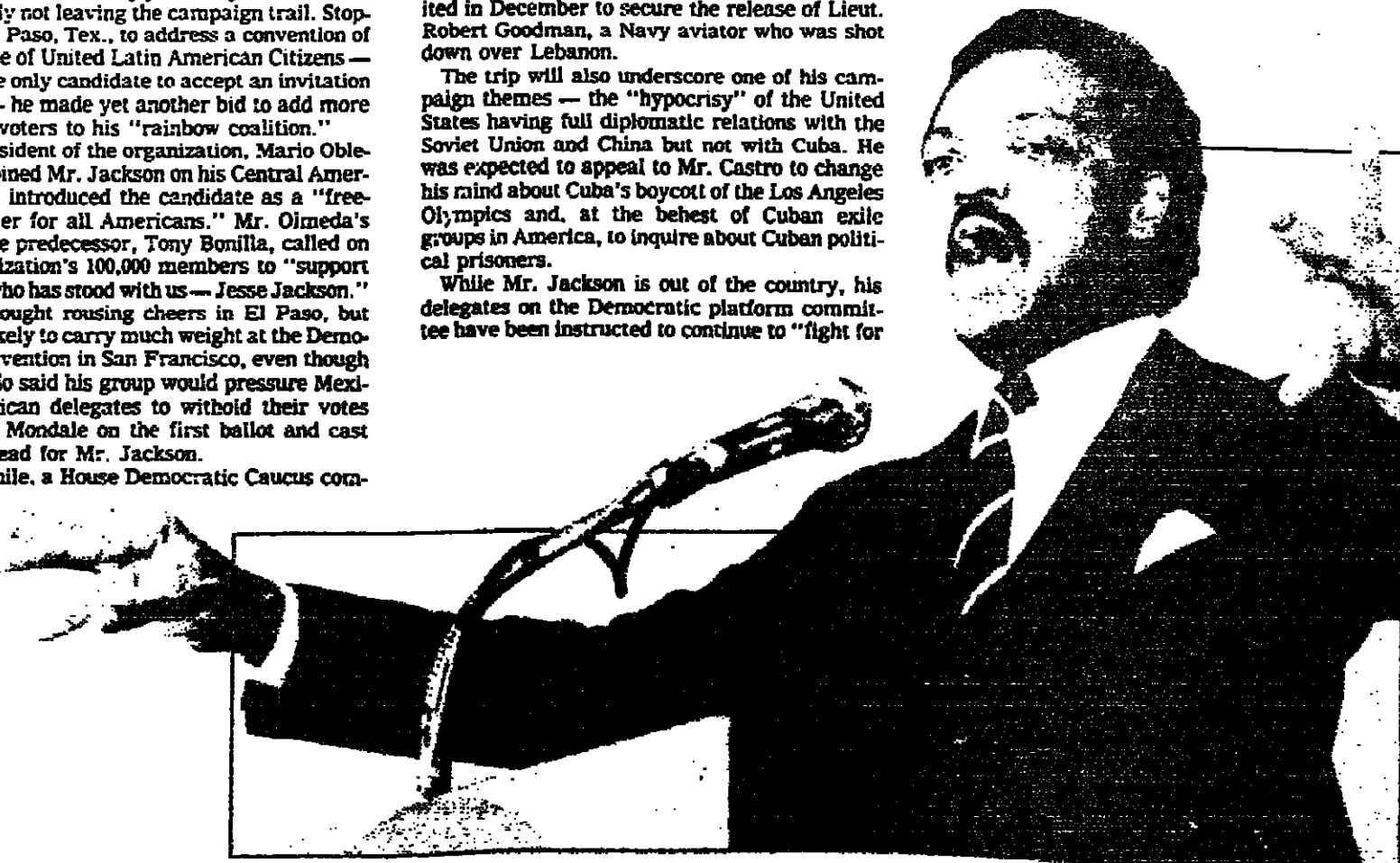
The trip will also underscore one of his campaign themes — the "hypocrisy" of the United States having full diplomatic relations with the Soviet Union and China but not with Cuba. He was expected to appeal to Mr. Castro to change his mind about Cuba's boycott of the Los Angeles Olympics and, at the behest of Cuban exile groups in America, to inquire about Cuban political prisoners.

While Mr. Jackson is out of the country, his delegates on the Democratic platform committee have been instructed to continue to "fight for

the principles the campaign has stood for," said Ron Walters, a Jackson aide. Mr. Jackson, who attacked Mr. Mondale as recently as Tuesday in a Philadelphia meeting, said his conciliatory attitude did not mean he was getting "amnesia over the questions of fairness and justice."

For now, however, he intends to press Mr. Mondale, whose supporters dominate the platform committee, for concessions on planks dealing with issues including jobs and foreign policy. But, in a move that doubtless brought some relief in the Mondale camp, he acknowledged that he expected "to lose some battles in San Francisco." Until his peacemaking gestures, party leaders had been worried that he might disrupt the convention or be less than enthusiastic in his support for the nominee.

Mr. Jackson's aides say that on the heels of his unexpectedly strong showing in the primaries, Mr. Mondale will have to make concessions. Mayor Richard Hatcher of Gary, Mr. Jackson's national campaign manager, reiterated Mr. Jackson's oft-spoken admonishment that party unity still depended on party justice.



The Rev. Jesse Jackson addressing the closing session of the U.S. Conference of Mayors in Philadelphia last week.

Jailing of Candidate Muddies Prospects for First Elections Since 1971

Is There a Safe Way Out For the Uruguayan Military?

By EDWARD SCHUMACHER

MONTEVIDEO, Uruguay — Although he was sitting in a Uruguayan military jail this weekend, Wilson Ferreira Aldunate, a leading presidential candidate, appeared to be just where he wanted to be — riding a surge of popularity. But aggressive maneuvering by him and other civilian presidential aspirants, and by the country's military rulers, may upset prospects for Uruguay's first presidential election since 1971.

The military, which seized power 11 years ago, has tired of taking the blame for economic disasters it has been unable to bring under control. Most of the generals have been looking for a safe way to unload their responsibilities without being placed on trial for human rights violations, as happened to former junta members in neighboring Argentina after that country returned to democracy last year.

Mr. Ferreira Aldunate, the centrist National Party's candidate, crossed the River Plate on a ferry from Buenos Aires eight days ago, returning from 11 years in exile. Several hundred supporters accompanied him and more than 50,000 of Uruguay's 2.9 million people turned out to greet him. He was arrested and jailed as he had expected to be and as the Government of Gen. Gregorio Alvarez had vowed. In military court last week, Mr. Ferreira Aldunate was held without bail on charges of aiding former Tupamaro guerrillas and of inviting foreign intervention by criticizing the military regime. If found guilty, he could be sentenced to up to 30 years in prison. His son, Juan Raúl, who is 31 years old, was arraigned on lesser charges of insulting the military. Both men denied the accusations.

Many opposition leaders fear that in the confrontation over Mr. Ferreira Aldunate, the elections expected in November will be put off. They say most of the generals — if not General Alvarez — are eager for a return to democracy and recently shifted from demanding constitutional changes as a precondition to stepping down, to merely requesting face-saving assurances. For example, the military agreed that civilian authorities would take jurisdiction over the generals but asked that the new Government refrain from initiating prosecutions for human rights abuses, leaving the decision to the courts. All major parties agreed to this. The military also opposes a blanket amnesty for the 700 political prisoners; the opposition is divided over how far an amnesty should go.

The National Party nominated Mr. Ferreira Aldunate for President in December. Last week, it voted to break off transition talks with the Government until he and his son are released. Leaders of the other big centrist party, the Colorados, and of a rising, although banned, leftist coalition known as the Broad Front, said they felt compelled to support the National Party. Privately, however, the party leaders complained about what they called Mr. Ferreira Aldunate's quest for political martyrdom. "His return was a theatrical farce that may be a national tragedy," a key leader said.

Mr. Ferreira Aldunate, 65 years old, is the only leader of the two main opposition parties still banned from politics. His statements have become increasingly populist, calling for an enlarged state role in industry.

Before the 1973 takeover, he was a conservative rancher, senator and Agriculture Minister. The generals object less to his politics than to his blistering ridicule of them from abroad. Before his return, many National Party leaders also seemed ready to sacrifice him.

His ambitious vice presidential running mate, Julio Pereira, carefully avoids committing himself to standing by Mr. Ferreira Aldunate if he should be released from jail but still banned from politics by November. "It is up to the party to decide," he says.

Mr. Ferreira Aldunate is likely to be freed, many opposition leaders believe, although General Alvarez commented last week that he was "not prepared to grant a pardon to any common criminal." But in view of the party leader's enhanced popularity since being detained, the political ban may become a stumbling block. The military

has shown no willingness for compromise on the issue. As the military sees things, their honor is at stake, which strengthens the ambitions of President Alvarez. Heeding growing public protests, many of the junta's 26 generals and admirals have talked of removing him as President because of his efforts to postpone the elections, senior officials say. But now the military is loath to be seen as giving in to Mr. Ferreira Aldunate.

Mr. Ferreira Aldunate's supporters argue that an Uruguayan election without him would be like holding American Presidential elections without the Democratic nominee. However, Uruguay's two other most powerful politicians note that they had sacrificed their own presidential ambitions. Jorge Batlle Ibanez of the Colorados stepped aside while he was still banned from politics last year to allow his party to nominate Julio Sanguinetti. Liber Seregni, leader of the Broad Front, was in jail for nine years until his release in March. He and more than 10,000 of his coalition's activists are still proscribed because of their alliance with the outlawed Communist Party. But they have called for the elections to proceed. "For us, persons don't count," Mr. Seregni said. "The country comes first." But public positions, aside, the parties are increasingly aware that if allowed to run, Mr. Ferreira Aldunate might now win.



Wilson Ferreira Aldunate being escorted off a ferry by a Navy officer on his return to Montevideo, Uruguay, last weekend.

Christian Forces Object

Cabinet Takes A Stab at Army Reform In Lebanon

By JOHN KIFNER

BEIRUT, Lebanon — After some prodding from Syria, Lebanon's Cabinet announced agreement yesterday on a plan to reorganize the army as a major step toward resolving the basic problem of power sharing. But continuing violence and divisions among the country's political leaders who make up what is called the Government of National Unity tempered the official optimism about restoring peace among the warring sects.

Although Prime Minister Rashid Karami hailed "a day full of happiness," army reform, an issue that had been preoccupying the ministers since the Cabinet's formation eight weeks ago, has been denounced all along by the powerful Christian militia, raising the question of whether the leaders had the will or the ability to control their private military forces.

The American-trained, Christian-dominated Lebanese Army split apart in February when Shiite Moslem and Druse militias took over West Beirut. The fighting brought back the Green Line dividing the western sector from the Christian-dominated east and spelled the end of American involvement here. Putting the army back together is seen as the vital first step in establishing effective government and in opening the airport, closed for the last four and a half months. The nightly artillery barrages across the Green Line underscored the need. Indeed, even as the Christian and Moslem ministers were striking a deal, heavy shelling by Christian forces against West Beirut continued.

Deprived of his American backing, President Amine Gemayel had been forced to turn to Syria, long the *bête noire* of his Maronite Christian followers, for help. At his request, Syrian Vice President Abdel Halim Kaddam arrived here Monday to help broker a deal. The one outlined by Mr. Kaddam and discussed at length by the Cabinet before being adopted yesterday calls for striking a Moslem-Christian balance in the army command.

Under the unwritten National Pact that has allocated power among the sects since 1943, the posts of president, army commander and chief of military intelligence have been reserved for Maronite Christians, who also hold a six-to-five edge in Parliament. Moslems have charged that the army is an instrument of Christian domination and have demanded the resignation of the commander, Gen. Ibrahim Tannous, a Maronite with close ties to the Christian militia known as the Lebanese Forces.

Under the new plan, General Tannous will be replaced by Gen. Michel Aoun, another Maronite. This could be controversial since General Aoun has been ex-



Burying victim of recent shelling in West Beirut.

manding Government troops facing Druse fighters in the strategic mountain town of Souk el-Garb, which protects the presidential palace in Baabda. Mr. Gemayel, who is facing resentment from troops loyal to him, insisted on the appointment of General Aoun and he and Mr. Kaddam reportedly persuaded Walid Jumblatt, the Druse leader, and Nabih Berri, the Shiite leader, to accept it. In exchange, the President and the Christian ministers rescinded decrees putting all military control in the hands of the commander. A six-man multiconfessional council will be formed to oversee the army and the chief of staff's post, traditionally held by a Druse, will remain in the hands of Maj. Gen. Nadim el-Hakim, who walked off the job when the army, along with Christian militiamen, fought the Druse in the mountains last September. In addition to military intelligence, there would be a new agency, Public Intelligence Directorate, headed by a Shiite, to handle political matters.

The Moslem Sixth Brigade in West Beirut, which does not obey the central command although it accepts its paychecks, would reportedly be augmented with Christians while the Christian Fifth Brigade in East Beirut would be leavened with Moslems, according to the plan. Then the army would replace the militiamen along the Green Line and provide security throughout the city.

Mr. Karami said this meant that Beirut would become "a unified capital of a unified Lebanon." But after eight years of unremitting strife here, many others were less optimistic. There was widespread doubt that the Government plan could be implemented on the ground, particularly given the opposition of the Christian militia, a force associated with Mr. Gemayel's Phalange Party.

Before the agreement was reached, the Lebanese Forces asserted they would not give up their positions "because Christian society can no longer tolerate failure of security and political experiments." Their statement added:

"Those thinking anew of reuniting the army along previous and unsuccessful lines, ought to test this plan in a dry desert. If it succeeds, then they can move it to populated areas. This people has paid enough of its blood as a price for formulas that have been overtaken by events."

Another hard-line Christian group, the Guardians of the Cedars, seemed to leave little room for compromise. It warned those who engage in "cheap politics on the inside and their masters abroad, who have installed themselves as our guardians, to take their hands off the army, which they have been slaughtering, disfiguring, dismembering, weakening and neutralizing over the past 10 years."

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Industry's New Stake in Space

Monday's launch could mean big money — maybe.

By MAXINE POLLACK

On Monday, when the space shuttle Discovery makes its scheduled liftoff from Cape Canaveral, Charles Walker will be on board, a pioneer among astronauts. The McDonnell Douglas engineer will be the first person from private industry to voyage into space, and with him a new era for business will be launched, one that could extend forever the frontiers of corporate America.

"It's a new area, an area that is providing a great service to mankind in general, and it's one of the most exciting technologies for our future corporate activity," said an exuberant John Yardley, president of McDonnell Douglas, of the experiment that his engineer will conduct on board. In fact, he said, "we're a little nervous we won't be able to expand fast enough, once demand for the products builds."

The journey to space by Mr. Walker, a 35-year-old "commercial payload specialist," could lead to the development of the first product made in space by a private company, a new drug that scientists and analysts say could be a major advance in the treatment of diabetes. In tests during four previous shuttle flights, the hormone that Mr. Walker will work with proved to be up to 700 times larger and four times purer than any produced on earth.

If his mission is successful — and scientists expect it will be — McDonnell Douglas and its partner in the venture, Ortho Pharmaceutical, a division of Johnson & Johnson, will be in the vanguard of what both companies predict will be a multibillion-dollar market covering a wide range of pharmaceutical products.

But the companies are not the only ones poised to gain from the experiments. The Government, too, is betting heavily on commercial space ventures, some of which have clear military applications. It is providing financing and technical assistance in return for a share in the research findings and some monitoring by company engineers of NASA projects. It is also trying to insure that the United States remain pre-eminent in space — and stay ahead of the West Germans, Japanese and French, who have made major advances in satellite communications and aerodynamics.

"We lost out on autos, we lost out on steel, but this is the one area that is still a vibrant U.S.-dominated industry," said Mark Oderman, vice president of the Center for Space Policy Inc., an independent research and consulting firm in Cambridge, Mass.

So far, the biggest profits in space for private companies have come from satellite communications, a technology spun off 20 years ago, six years after America's space program began. This technology now accounts for some \$1.5 billion in annual revenues. But the profits from commercial space ventures are expected to go beyond that. By 1996, space manufacturing of all sorts of products will develop into an \$8 billion industry, analysts say.

Getting to that point is the challenge. The payouts, although potentially huge, are at least a decade away, so companies must be prepared for such a wait. Because there are no precedents for space manufac-

turing, unforeseeable hitches could emerge that set back efforts or wreck their financial feasibility. And although the Reagan Administration has been strongly supporting a commercial space policy — with a space station as its cornerstone — such a policy has not yet been put on the books.

Still, a number of companies are gearing up to venture into the unknown. So far, some 15 non-aerospace companies — including John Deere & Company, Hewlett Packard, Arthur D. Little, Teledyne, and Westinghouse — have signed cooperative agreements with the National Aeronautics and Space Administration to start research that they hope will eventually lead them into space. Another 20 companies are negotiating such agreements, many of them through intermediaries under contract to NASA, such as consultants at Coopers & Lybrand and Booz Allen Hamilton.

Within the next decade, at least several companies will be conducting scientific experiments with commercial applications on board the shuttle. Their hope is to begin manufacturing in space shortly thereafter.

"It's very expensive, but a good

successful experiment in space can cut off years of research in a ground-based lab," said Christopher Podsiadly, who heads a 23-man space research unit of the Minnesota Mining and Manufacturing Company, which envisions at least 10 years of preliminary testing in space, starting later this year, before manufacturing of super-thin coatings for industrial products and films can begin. "If the information is good, you could save a lot of R.D. dollars and time on the ground."

The Government is also convinced that the risk is worth taking. According to International Resource Development, a market research firm in Norwalk, Conn., the manufacture in space of a host of products, which is generally categorized as materials processing, will be a fast-growing business for the rest of the century. By 1987, the retail value of pharmaceuticals made in space will amount to \$100 million, increasing to \$5 billion by 1996, it forecast. Business also intends to test other products that range from semiconductor materials to metals, plastics to electro-optical fibers.

Venture capitalists have seen the possibilities. "If you look at the ven-

ture capital markets, which are a proving ground of interest, in 1980, there was roughly \$10 million spent," said Mr. Oderman of the Center for Space Policy. "Last year that figure was roughly \$100 million." By 1983, that number could rise to "between \$500 million and \$1 billion on an annual level," he estimated.

Even though space manufacturing remains a twinkle in the eyes of its planners, it already has spawned a host of service and supplier industries. In addition to Mr. Yardley and mission control at Cape Canaveral, many scientists and engineers, bankers, politicians, lawyers and insurance brokers will be watching tomorrow's flight. So too will executives at the highly specialized companies — space hotel planners and global pollution monitoring concerns, for example — that have already begun to form on the periphery of the space program.

Although the major corporate efforts are still in the embryonic stage, the companies are hoping that their research will eventually pay off. Materials processing could yield purer drugs for treatment of ailments including diabetes, kidney disease and certain forms of cancer. And it could yield vastly improved industrial crystals, cast iron, electroplating, films and coatings, enzymes, glass alloys, and blood storage systems. An emerging field, space transportation, is spawning designs of smaller space vehicles, space stations and new "remote sensing" technologies.

"There are so many commercial possibilities in space, we have no way of knowing now what we'll be doing up there in the future," said Jerry Grey, publisher of Aerospace America magazine and a respected author of books on space subjects. "In the 1980's, when electromagnetism was discovered, people couldn't have imagined the microelectronics industry, electric motors, electricity itself. Yet see how that has pervaded our entire life."

The commercial space program has developed in the United States as a result of strong Government interest. In the last 25 years, the United States has invested roughly \$17.6 billion in its non-military space program, with about 80 percent of that spent on contracts with private-sector companies, according to the Aerospace Industries Association, a Washington trade group. By 1997, if NASA continues to receive funding of around \$7.5 billion a year, with subsequent annual increases of 2 to 3 percent, the agency will spend \$65.8 billion more on research and development contracts to aerospace and non-aerospace companies involved in space ventures.

How many and how fast other companies follow McDonnell Douglas's lead will depend largely on government policy. Components of a national commercial space policy, set in motion by the Reagan Administration and based on proposals by industry representatives and NASA, are currently under review by members of Congress and government agencies.

The eventual policy is intended to authorize legislation supported by Democrats as well as Republicans that would enable companies to benefit from a package of tax incentives, research and development credits and the expanded use of NASA facilities by corporate America, including the vast storehouse of information accumulated by NASA during the 26 years that America's space program has been in effect.

In 1987, NASA plans to launch a "strictly business" shuttle whose entire cargo bay will be leased by one company, as yet unnamed, and then subleased to others with commercial payloads.

The Economy

WEEK IN BUSINESS

Startling Strength In the 2d Quarter

The "flash" estimate showing the gross national product expanding at a 5.7 percent rate in the second quarter surprised many analysts, who had been predicting a rate closer to 3 or 4 percent. In contrast to the revised 9.7 percent rate of the first quarter, the second quarter has moderated. But in past recoveries, the economy had slowed significantly by this point. Despite an inflation rate that is declining, some analysts worry that a still-spurring economy could lead to harsh inflation. Others say the figures may indicate fundamental changes in the economy that avoid the boom-bust cycles that have prevailed since World War II.

More recent data for the quarter may indicate slower growth. Consumer prices rose two-tenths of 1 percent in May, and orders for durable goods increased 3.3 percent. Housing starts, slowed by increases in mortgage rates, fell 10.5 percent. Capacity utilization rose just two-tenths of 1 percent. The current account deficit of foreign trade was a record \$19.4 billion in the first quarter, and the worst may be ahead.

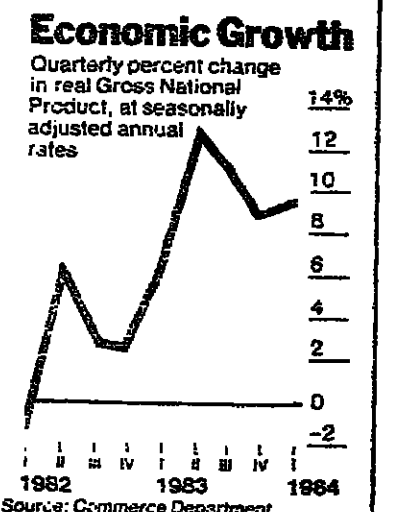
Citicorp Changes. John S. Reed, whose innovations in consumer banking earned him both respect and wrath, will take over as chairman and chief executive of Citicorp when Walter B. Wriston retires in August. Mr. Reed, who has little commercial banking experience, is expected to carry on the bold initiatives of Mr. Wriston. His management style is described as unbanker-like.

Stocks shot up early in the week, gaining almost 45 points in the first three trading days after a dismal ending the previous week. But the rally moderated as the week wore on. The Dow Jones industrial average finished at 1,311.07, up 44.17.

Bond prices continued to fall during the week, even after a \$3 billion increase in the money supply was announced Thursday. Investors are apparently still worried about rising interest rates.

Latin American debtor nations sought new ways of dealing with their huge foreign debts at a meeting in Cartagena. Proposals to create a commission to confer on Western debt sounded suspiciously like the "debtors' cartel" that the nations insisted they were forming. The outlines did not specify whether the panel, if formed, would deal with debt as a political problem or would seek to negotiate unilaterally easier repayment terms with Western banks and the International Monetary Fund.

Under a new interpretation of Federal rules, banks must declare foreign loans to be nonaccruing as soon as interest payments come 90 days past due. Previously, banks declared as nonaccruing only those loans that were 90 days past due at the end of the quarter. The interpretation is viewed as a temporary setback to bank earnings. But on a broader level, it is seen as strengthening the banking industry and giving it more leverage



against Argentina and other third-world debtors.

A 59 percent stake in 20th Century-Fox held by Marc Rich, the fugitive financier and commodity trader, may be sold to Marvin Davis, the oilman who holds the other 50 percent. But the Government, which has frozen Mr. Rich's assets because of a huge tax fraud case, must approve the sale.

A new plan for Continental Illinois National Bank would have the Federal Deposit Insurance Corporation pledge \$4.6 billion in loans and guarantees to entice bidders. Under the plan, circulated by Goldman, Sachs, the Chicago Fed would lend \$2.6 billion to establish a new national bank, which would buy \$4 billion in problem loans from Continental. The more attractive Continental that remained would be acquired. Analysts note that the plan still places great risks on Continental's current shareholders.

Sale at Tiffany's. Avon, which bought the prestigious Fifth Avenue jeweler just five years ago, wants to sell Tiffany & Company because it has not met the financial and image-lifting goals the cosmetics company set for it.

The sale of Atlantic Richfield's aluminum assets to Alcan for \$1 billion will be opposed by the Justice Department on antitrust grounds. The companies said they would try to amend their agreement.

Alcoa and Kaiser, meanwhile, said they would cut back aluminum production and lay off workers because of low prices and high costs.

On the Right Track. A total of 13 groups bid for Conrail, the now-profitable, Government-run railroad. The offers range from other railroads, such as Norfolk Southern and Burlington Northern, that want to add Conrail's Northeastern corridor track, to a group of investors from Citicorp who want to bring together Conrail's unions and management, to individual investors such as J. Willard Marriott Jr. of the hotel Marriotts. Goldman, Sachs is reviewing the bids.

Merrill Perlman

The Secretive Life of a Top Arbitrager

By ROBERT J. COLE

HERE he was, sitting on a park bench, out of a job and staring into space. Even then, he was impeccably dressed, vest and all, killing time in Central Park, wondering when his chance would come.

That was just 14 years ago. Nobody had ever heard of Ivan F. Boesky, except maybe around Detroit, where in the old days the family name stood above the best delicatessen in town.

Today, he is known as one of the best-informed men on Wall Street, widely feared, grudgingly respected and at the age of 47 probably worth \$250 million or more.

The "more" is what seems to propel Mr. Boesky, the world's most successful arbitrageur, and member of a secret clique of audacious professional traders who bet hundreds of millions of dollars on the outcome of corporate takeovers.

The past few years of rampant merger activity have been big ones for the "arbs." But just how big is anybody's guess because their businesses are private. Mr. Boesky, for example, was one of the biggest buyers of Gulf stock before the oil company was bought by California Standard, and was just as big a buyer of Getty stock before it was bought by Texaco. He is reputed to have made between \$50 million and \$100 million on each of them.

In essence, what arbitrageurs do is to buy a company's stock when it becomes a takeover target, betting that they will make a profit if the deal goes through. The art is to measure the risk they face if the deal fails and catches them with stock that nobody

wants — either because the target resists, the courts or the Government step in or the deal disintegrates. How much they can find out about a situation often spells the difference between success and failure.

Some professionals treat arbitrage as their only business, although Mr. Boesky is now moving into other areas such as buying companies. Investment banking firms, like Goldman, Sachs & Company and Salomon Brothers, treat arbitrage as one of many businesses.

What separates Mr. Boesky from the rest is not easy to define. The heart of all arbitrage dealings is information, but Mr. Boesky's appetite for minutiae is legendary, and he is willing to pay for every scrap of information he can get, no matter how seemingly inconsequential.

"He's the best in the business," a close Wall Street friend maintained. "He's made more money than any of us and that makes him the best."

Mr. Boesky's philosophy seems clear enough. It is spelled out on a plaque in his private office. The inscription, by A. Bartlett Giamatti, president of Yale University, reads in part: "Winning is not everything but it is something powerful, indeed beautiful, in itself, something as necessary to the strong spirit as striving is necessary to the healthy character."

But Mr. Boesky's winning streak was a long time in coming. When he was just a few years out of college, his old roommate, Marvin H. Davidson, now an executive with Bear, Stearns & Company, had been telling him about his work in arbitrage. It sounded exciting.

Determined to try his hand, he came to New York in 1968. Before long he had landed a job at L. F. Roth-

schild & Company, where he became a stock analyst. Set on getting into arbitrage, he soon joined the First Manhattan Company, where he worked alongside Harry L. Schick, the premier arbitrageur, and discovered his calling. But by 1970, First Manhattan decided to de-emphasize arbitrage, so Mr. Boesky left, working for a time in a variety of Wall Street jobs.

But even when he was spending his time in Central Park, he was convinced that arbitrage was his way to the top. By 1972, his chance came. Edwards & Hanly asked him to create an arbitrage department, and it soon became the company's biggest profit center. Within three years he was in business for himself.

Even for Mr. Boesky, the perils of being an arb can make life harrowing. In the first few weeks on his own, he almost lost half his capital.

And there was the time in 1982, when Gulf backed out of its agreement to buy Cities Service. Mr. Boesky and other arbs had loaded up on Cities Service stock in hopes of reselling it to Gulf later at a huge profit. But when Gulf withdrew, Cities Service shares plunged and Mr. Boesky was left with a bundle of stock. Occasional subsequently agreed to step in but would not pay nearly as much as Gulf. It was enough, however, to cushion Mr. Boesky and others.

These days, Mr. Boesky wins more than he loses. A former associate recalled the other day that a few years ago, after Mr. Boesky had made a killing in the market, he said, "Ivan, you've already made more money than you can ever spend. What are you really after?"

"I want to be rich," he quoted Mr. Boesky as replying. "I want to be worth..." Mr. Boesky mentioned a big number, but the former associate wouldn't repeat it. But he added, "He's a driven man."

Another close observer thought that money alone was no longer Mr. Boesky's goal, that what he really wanted was "to establish a name, to be a modern Rothschild."

The reference to one of the world's great banking families pleased Mr. Boesky immensely. "Of course," he said softly, "one has an ambition to succeed." The French and English Rothschilds, he said, are his "very good friends." Jacob Rothschild is an investor in his British company and Baron Elie de Rothschild once gave him a bottle of wine for his cellar.

But there is another side to Ivan Boesky, a side that perhaps explains why dozens of millionaire Wall Street executives absolutely refuse to talk about him. Those who do, discuss him from a distance, often with sketchy details and usually only after assurance that they will not be identified.

"If anecdotes are supposed to be funny, there aren't any about Ivan," said Alan C. Greenberg, head of Bear Stearns. "He's too serious."

Aware that his movements are watched — by other arbitrageurs who want to buy when he buys and sell when he sells — Mr. Boesky may ask one broker to tell a second broker to buy for him through yet a third.

But the sheer size and audacity of Mr. Boesky's dealings, unlike anything ever seen on Wall Street, make him stand out almost as if he had a sign pinned on his back.

"Ivan's buying," the word goes out.

The New York Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED JUNE 22, 1984 (Consolidated)					Standard & Poor's				
Company	Sales	Last	Net Chng		Company	Sales	Last	Net Chng	
Sup Oil	12,878,700	42 1/2	+	1	400 Indust	1,772.0	168.6	175.6	+6.59
PetrIn	12,567,900	19	+	1	20 Transp	1,277.0	120.8	126.4	+5.23
AT&T	11,933,200	17 1/2	+	1	40 Utils	64.6	63.2	64.0	+0.83
IBM	7,490,800	105 1/2	+	5 1/2	40 Financial	15.4	14.6	15.3	+0.68
Texaco	5,542,700	34 1/2	+	1 1/2	500 Stocks	155.6	148.5	154.4	+5.43
Bell So	5,370,600	28 1/2	+	1 1/2	Dow Jones				
Sears	5,214,100	32 1/2	+	2 1/2	30 Indust	1143.4	1079.3	1131.0	+44.17
G Mot	5,026,200	65 1/2	+	3 1/2	20 Transp	481.0	454.8	475.1	+17.08
Mar Lyn	4,453,700	27 1/2	+	3 1/2	15 Utils	126.4	122.0	124.3	+2.07
Chrysler	4,168,500	25	+	1 1/2	65 Comb	444.1	421.2	439.2	+15.34
Motrla	4,148,700	34 1/2	+	4 1/2	The American Stock Exchange				
Ex Kod	4,099,400	71	+	4 1/2	MOST ACTIVE STOCKS WEEK ENDED JUNE 22, 1984				
Exxon	4,080,100	40 1/2	+	1 1/2	(Consolidated)				
Pc Tel	3,838,500	55 1/2	+	1 1/2	Company	Sales	Last	Net Chng	
Mid S Ut	3,792,000	11 1/2	+	1 1/2	WangB	1,821,800	27 1/2	+	1 1/2
MARKET DIARY					TIE Comm	1,589,800	14	+	1
Advances	Last Week	Prev. Week			BAT	1,036,100	3	-1/16	
Advances	1,294	507			NatPatent	534,300	16 1/2	+	2
Declines	699	1,473			DomePat	512,800	2 1/2	-1/16	
Total Issues	2,226	2,220			Granger	494,100	24 1/2	+	3 1/2
New Highs	50	31			Helzer	490,800	17 1/2	+	1 1/2
New Lows	229	297			EchoB	328,100	8 1/2	+	1 1/2
VOLUME (A.P.M. New York Close)					MtchIE	307,100	19	-	1
Company	Last Week	Year To Date			GalxyO	305,500	2 1/2	+	1 1/2
Total Sales	504,887,370	11,062,800,559			MARKET DIARY				
Same Per. 1983	468,030,620	10,785,107,232			Advances	Last Week	Prev. Week		
WEEK'S MARKET AVERAGES					Declines	418	225		
High	Low	Last	Change		Total Issues	321	511		
New York Stock Exchange					New Highs	813	905		
Indust	105.6	101.3	105.0	+3.75	New Lows	21	16		
Transp	79.9	76.9	79.6	+2.76	VOLUME (P.M. New York Close)				
Utils	44.2	43.2	43.9	+0.60	Company	Last Week	Year To Date		
Finance	82.0	78.9	81.7	+2.70	Total Sales	28,367,770	727,993,455		
Composite	88.5	86.0	89.0	+2.89	Same Per. 1983	60,916,285	1,154,021,000		

The New York Times

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The Debts That Bind

It now seems possible that Argentina won't pay the \$350 million due its creditors before the end of this week. Will this default finally set off the global debt bomb? Probably not. American banks among the creditors may have to write down their profits or invent a new contrivance to postpone the day of reckoning. In any case, the fundamental problem will persist.

Argentina's new Government, desperately trying to build genuine democracy, pleads it cannot make painful economic adjustments as fast as is wanted by the bankers and the International Monetary Fund. To avoid public unrest, the Government led by President Alfonsín says wages must rise 6 to 8 percent faster than the feverish inflation, now higher than 500 percent a year. Politically muscular labor unions want even fatter raises; the banks and the I.M.F. insist on less. So Argentina stands defiant and the financial world is treated to yet another nerve-racking confrontation.

Still, the two sides need each other and show signs of understanding that. At their London summit meeting two weeks ago, the industrial democracies pledged more aid for developing countries on more generous terms. Also, the banks have agreed to discuss easier terms for Mexico and Brazil, the biggest debtors, as a "reward" for economic progress already made. And new Federal regulations require American banks, in their earnings reports, to face up more honestly to defaults.

Argentina, in turn, last week softened its intransigence by making an interest payment that had been due in January. And 11 Latin debtors at their own summit meeting in Colombia issued a non-

threatening plea for understanding, to be pressed by a joint consultative group, and backed by promises to pay their debts.

Assuming that this quarter's crisis is resolved by yet another compromise, it has again illuminated the huge dimensions of the debt problem. The third world's massive foreign debt won't be repaid for many years, if ever. The way to get the largest portion of it repaid is through sustained economic growth that lets the debtors earn their way back to solvency. That is already happening in some countries, but the staying power of the current economic expansion is uncertain.

The economic facts of life will force the debtor nations to take politically difficult steps. The creditors, too, need to take some.

Above all, they need to restrain rising interest rates, which only make matters worse. Capping the rates for poor nations and adding the excess to the end of their loans could relieve some of the burden. Or a special I.M.F. account could be created, from which debtors could draw when interest costs exceed a certain level. Stretching repayment schedules would also help.

Just as urgently, the developing countries need markets for exports. The industrial nations simply have to resist protectionist barriers against them.

Finally, the austerity measures proposed for debtors have to be custom designed. Argentina's democracy can't take as much pressure as Mexico's. The debt bomb has been ticking for two years while both debtors and creditors have made a lot of adjustments. Disaster will be averted if one central principle is observed: The debtors need to earn their way out of hock and therefore need time and opportunities to earn.

Let Washington Set the Drinking Age

Drinking and driving don't mix — especially when teen-agers do the mixing. The number of drunk drivers involved in fatal crashes declines sharply after 21, and when states raise their drinking ages from 18 to 21, accident rates drop 30 percent. That's why a Presidential Commission on Drunk Driving last year recommended a national minimum drinking age of 21. President Reagan finally endorsed this sensible idea last week, and Congress can make it a reality.

Twenty-three states now set the drinking age at 21. But teen-agers often get around those laws by driving to a nearby state where the drinking age is lower. Many New Jersey teen-agers unable to drink legally until 21 can drive to New York, where the legal age is 18, or Connecticut, where the limit is 20. They're not likely to be in any condition to drive back.

Under a House bill passed earlier this month, a state would have two years in which to raise its legal

drinking age to 21. If it didn't comply, it would lose 15 percent of its Federal highway funds over the following two years.

New Jersey's Frank Lautenberg is sponsoring similar legislation that will be considered by the Senate this week. His bill would also encourage stiffer punishment for all drunk drivers by increasing Federal highway safety grants to states imposing tougher enforcement measures. That's a sounder approach than one suggested by Steven Symms of Idaho, who would simply offer increased safety grants without the threat of any lost highway construction money.

Opponents of the legislation include restaurant owners, student groups and states' rights advocates who resent Washington's involvement in the issue. But they have no good answer for the border-crossing problem, which threatens drivers of all ages. It's too serious a matter to ignore for the sake of either special interest or ideology.

Hiring Rights and Conscience

New York City and the Roman Catholic archdiocese and Salvation Army are at odds about hiring practices as they affect homosexuals. Mayor Koch says he must enforce his order against discrimination in hiring by private agencies doing business with the city. The religious organizations say their doctrines prevent them from signing the required anti-discrimination pledges.

The religious agencies insist they don't in fact discriminate, yet balk at making a declaration they regard as contrary to church teaching about homosexuality. It's hard to believe that their nondiscrimination cannot be promised in words that nonetheless protect their freedom of conscience. But the search for acceptable language now awaits a separate issue. The archdiocese has challenged Mr. Koch's right to issue such an order without legislative action by the City Council.

The Mayor has therefore agreed to honor the annual contracts of \$4 million for the army and \$76 million for the archdiocese for child care and other

social services. The time thus gained should be used for constructive negotiation.

These valued institutions provide only a fraction of the social services for which the city contracts with private agencies. Mayor Koch's humane order still governs billions of dollars worth of business, capital construction and purchases. A church-state collision should be avoidable.

Orthodox Jewish groups have acquiesced in the city's policy while firmly announcing that they do not condone every sexual practice of every employee of a city contractor. The Roman Catholic Diocese of Brooklyn, the most populous in the nation, did not encounter the problems raised for the archdiocese by Archbishop John J. O'Connor.

Hiring a homosexual neither promotes nor condones homosexuality. All it does is deny the right of a public agent to deprive citizens the right to work because of private lifestyle. Sensitive city and church officials conscious of their public duty should be able to resolve this principled dispute.

Topics

Brambles, Mumbles

Wild Strawberries

A Brooklyn man who spends weekends in Dutchess County feels a lot of sympathy for Steve Kenney of Kenmore, N.Y., a Buffalo suburb. Mr. Kenney is going to court to defend his right to let his lawn grow wild, even though it offends his well-mowed neighborhood.

"I've never made any effort to civilize my lawn in the country," says the Brooklyn man, "because I was totally charmed by what I found in the weeds — violets, clover, hepatica, mint and columbine, not to mention the great blue lobellias and a couple of lovely magenta flowers that even experts can't seem to identify."

"In a couple more weeks, we'll have the supreme treat of the summer: wild strawberries. They grow low to the ground, with little white flowers. After the petals drop off, the yellow stem tip develops into the berry, ready to pluck when it finally

turns blood red in the sunshine. When you crush it against the roof of your mouth you taste a sweetness that can't be described."

"So I'm all for Steve Kenney, but I'm not sure he's going to win by going to court, quoting Thoreau and denouncing the conventional lawn as environmentally unsound."

"That's not what I'd do if my neighbors ever started to hassle me. I'd invite them over for a tour of the flowers — and then I'd pass around a plate of those wild strawberries."

Rigoletto's Real Crime

Verdi's "Rigoletto" has survived its New York debut in the English National Opera's rendition without off-stage incident. Italian-Americans had perceived a libel in promotional materials that described the story's relocation to the "cosa nostra world of the New York Mafia in the 1950's."

But that occasioned no boos at the Metropolitan Opera the other evening.

The British rendition, which transplants the action from the Duke's court in Mantua to a Manhattan bar filled with hoodlums, seems to stir no ethnic group. We say "seems" because the wretched diction of the British singers made it impossible to tell what they were singing. As our critic Donald Henahan observed, the tenor playing the villainous Duke "worked with almost complete success to disguise the fact that the production was sung in English."

The London company is not alone in this villainy. Otherwise accomplished performers frequently maul the English words to their music. Perhaps the New York City Opera, which is ingeniously substituting French and Italian words in foot-high letters above the stage's arch, will accept the challenge and prepare visual aids for English texts, as well.

Letters

'A Rolls-Royce for Everyman' Just Won't Do

To the Editor:

Flora Lewis's June 7 column, "The Tiffany Model," gave refreshing attention to the huge problem of unemployment that the rise of high technology and the decline of smokstack industries will produce, unless the Republicans, the Democrats or others with power face it creatively.

Her Tiffany model, says Miss Lewis, "offers a way to conserve materials and provide humane work." She proposes "a revolution of marketing concepts from the throw-away society to the make-it-better society."

But without some additional step, making goods that last would presumably hurt profits as well as employment. In spite of long consumer demand, durability has not been unduly prevalent, except as some manufacturer acted against a perceived short-term interest or Japanese cars and electronics made competition real.

Miss Lewis's essential step to reduce unemployment is to provide "the equivalent of a Rolls-Royce for everyman, by bringing back the artisanship of finish that makes the big difference." While that would surely keep a lot of people at work, the question is, Who needs all that artisanship? It smacks of busy work. Why not a Toyota for everyone instead of a Rolls-Royce? But that alternative will only exacerbate unemployment, unless...

Unless we start paying low-paid people more for working less, even if

that means cutting the pay of some high-paid people, who after some readjustment, mutterings about Marxism, etc., will probably perform just as well if their pay is cut. Broadly distributed income means broadly distributed buying power and further assures high employment.

Sufficient food, goods and health care for everyone, full employment and shortened hours of work are, technologically, more achievable now than ever before. The present system is not achieving them. It is not seriously trying. I hope the Republicans and the Democrats will address this issue this summer.

MALCOLM H. BELL
Norwalk, Conn., June 12, 1984

Modernization's Promise

To the Editor:

Flora Lewis's idea that a world economy plagued by underemployment and income inequality can be put right by bringing back artisanship makes a wonderful premise for a Monty Python script but an utterly daffy basis for thinking about economic growth or jobs.

The role of quality in production and competition is worth pondering. To consumers of industrial products, the hallmarks of high quality are utility, durability and good design, all quite compatible with modern manufacturing, if done right. The sort of hand-finishing Miss Lewis admires is a virtue in bibelots, French

laundry and precious little else.

Low quality is nothing to sniff at either, so long as the price is appropriately low too. Variations of quality permit individual consumers to select their preferred balance between price and product life, convenience or handsomeness, as the case may be.

But when low quality arises from low productivity, the products are likely to be poor bargains, and consumers will shun them — as they did U.S.-made automobiles — until the industry dies or revives itself.

New competitors may purposefully sell inexpensive low-quality merchandise, often imitating established manufacturers, in order to gain a market foothold. With mass production and wide consumer acceptance, the opportunity to increase quality profitably arises.

One need only remember the inferiority of early Japanese cameras, watches and cars and the now-forgotten tawdry connotation of "Made in Japan." Cheapness, in both senses of the word, was the foundation upon which that quality-conscious, high-employment industrial economy was first built.

Modernization of industry along these lines still offers the world's best hope for higher real incomes. Fine china and a Rolls in every garage is at best a quaintly absurd vision of the future.

RICHARD T. RAPP
Vice President, National Economic Research Associates, Inc.
White Plains, June 12, 1984

A Tale of Two Proms — Worlds Apart

To the Editor:

"A Serious Touch of Jitters Precedes a Prom Night to Remember," Michael Winerip's portrait of Prom Night '84 at Great Neck South on Long Island (news story June 15) was an amusing reminder of how the pendulum swings. At \$700 a couple, today's prom strikes me as deliciously materialistic proof of the Marxian dialectic.

Prom night for my class, the Great Neck North class of '70, was held in the spring of student discontent, just weeks after the Kent State massacre. Yes, we had a prom, but barely half the class attended. I have no recollection of where it was held, for the rest of us went to great lengths to ignore the occasion, staging small "anti-prom" parties where jeans and T-shirts were proper attire.

In fact, the "real" prom racked up such a massive deficit, because of sluggish ticket sales, that donations were solicited from parents to save the senior class from default.

If you had told us in 1970 that pastel



pink dresses and powder blue limos would ever make a comeback in Great Neck, we would have laughed and said, "Come on, that sounds like 1984!"

NINA RUBIN
New York, June 15, 1984

'The Jackson Factor Is Not a Bargaining Chip'

To the Editor:

Gerald Boyd's summation of the Rev. Jesse Jackson's campaign for the Democratic Presidential nomination ["Reporter's Notebook: Jackson at the River Jordan," June 15] provides an adequate human-interest view of this new phenomenon in American politics, but it fails to enlighten the readers on the meaning of the Jackson factor.

It is customary to call any change on the political horizon "the new politics," but the Jackson factor represents a change so basically new in the ways it has affected the political participation of blacks, it truly deserves to be called that.

The best way to understand this "new" new politics is to contrast it with the old politics: the old politics tells us blacks that we have nowhere else to go except Democratic. The new politics tells us that "going fishing" is a valid political strategy if conscientiously pursued. It insists

that if four more years of Reagan is the price we must pay to hold on to the unity of purpose and political self-respect we have gained through the Jackson candidacy, so be it.

The true meaning of the Jackson factor is that a new front has been opened in the continuing struggle for racial justice and equality. In addition to the usual struggles in the streets, in the courts and in the legislatures, now add "and for the Presidency."

The Jackson factor is not a bargaining chip in the race for the Presidency — the campaign for the Presidency is a bargaining chip in the struggle for racial justice and equality. The Jackson factor, like the (Jackie) Robinson factor before it, has opened up a whole new ball game. What plays in San Francisco in July will be merely a blip of what will be playing in November, in 1988 and beyond.

EUGENE WALTON
Silver Spring, Md., June 15, 1984

Attempt on the Pope's Life: Unpersuasive Case Against Moscow

To the Editor:

In his June 11 column, William Safire misrepresents what Claire Sterling actually reports of the findings of the Martella commission investigating the attempted assassination of the Pope. Safire writes that this commission, by Sterling's report, "has assembled massive evidence that the Bulgarian secret service — obviously under orders of then-K.G.B. chief Yuri Andropov — arranged the attempted assassination."

If by "massive" Mr. Safire means "convincing," he is correct only in respect to the connection between Agca, designated hitman, and a conspiracy of neo-Nazis and Mafia centered in Turkey. He is not at all correct in claiming strong evidence of a connection between the Mafia-Nazi group that supplied Agca and alleged agents of the Bulgarian secret service.

Maybe the Martella commission has information on this point that Sterling was not shown or did not report, but on the evidence of her news article (June 10), the sole source of the claim that this conspiracy traces back to the Soviet Politburo is Agca himself, and the details of this or that figure or place or meeting which Sterling (and Martella?) offer as corroboration of Agca's essential story are nothing but the kind of personal trivia (a facial wart, a limp, the view from

a certain window) to be found in any intelligence file.

This sort of evidence is "massive" only in the sense that there is a lot of it. As to what it proves, the most reasonable assumption would be that the people about whom Agca is supposed to have learned so much through direct contact were under intensive surveillance by a group in a position to put its intelligence at Agca's disposal — e.g., the neo-Nazi Gray Wolves.

This case could easily become, as with the assassination of President Kennedy, a festering sore. If the Martella commission actually says what Miss Sterling implies and Mr. Safire assumes it says about Soviet responsibility, and if the evidence in support of this is as thin as the evidence presented by Miss Sterling and touted by Mr. Safire, then the commission will itself become suspect.

This is not because there are ideopaths but because the idea is so strange that the Soviets should think killing the Pope would do anything other than ignite fires of rage

against them and, having made such a decision, would then seek technical assistance — resourceful though the K.G.B. is otherwise held to be in such "wet" affairs — from their oldest and most passionate adversaries in Eastern Europe.

Why was the Soviet Politburo not worried, for example, that if it let the Gray Wolves in on its plans, they, being the Soviets' historical bitter-est foe, would slip the information to the right people at the right time and get the Soviets into a lot of trouble, and not even pull off the job?

In any case, the one consensual fact about the intelligence game as it has developed in Central Europe since the days of Lenin and Hitler is that multiple cross-penetration of the Reds and the Whites is the rule, not the exception, and that any simple judgment about reality and illusion, such as the judgment of Soviet guilt hinted at by Miss Sterling and joyously leaped at by Mr. Safire, is bound to be in fundamental error.

CARL OGLESBY
Cambridge, Mass., June 11, 1984

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By Flora Lewis

There is a deep sense of uncertainty, of loss of direction. In the circumstances, no initiatives in foreign policy are likely. It's a gloom prospect in an age when technology is racing ahead of politics and crisis can erupt beyond control.

By George W. Ball

George W. Ball, who is 74 years old, was Under Secretary of State in the Kennedy and Johnson Administrations and United States delegate to the United Nations in 1968.



By Michael M. Thomas

It's the game itself that stinks. Managements and stockholders are being hoist on the petard of the institutionalization of the capital markets, which is something they themselves devoutly encouraged back in the 1960's. Since most institutional investors are exempted from taxes, their investment thinking has become short-term to an extreme degree. This attitude, combined with near-total credit deregulation, has transformed the nature of stockholder relations and the capital markets themselves.

By Laurence R. Birns and James M. Anderson

1981 the C.I.A. began aiding the contras. At the time, the Administration claimed that both Congressional intelligence committees had been fully

God help our country if we ever have to face such a tragic mess!

By James Reston

Mondale is not bringing them together. He is saying he has won but he's still talking about delegates instead of ideas, about the convention instead of the election. His choice of a Vice-Presidential nominee will be the first test of his judgment, but even that will not tell us whether he intends to go it alone or pick a shadow Cabinet that can demonstrate that in November the people will be choosing not merely a man but an executive organization that looks better than Mr. Reagan's California pickup team now running the White House and the major departments.

A Soviet Dramatist's Brave Work

By BENEDICT NIGHTINGALE

Victor Rozov's "From Night Till Noon," much admired and performed in the Russia of the mid-70's, brought onstage a scientist grimly convinced that children, relationships, feelings themselves were all dangerous distractions, keeping a man from his primary duty, which was to himself alone. The same play included an impassioned denunciation, voiced by an athletics coach, of "The high-riders, who get into the saddle and ride like mad for the sake of their careers, not caring who their horses trample underfoot."

Did Rozov's obvious mistrust of the first of these characters, his sympathy for the sentiments of the second, add up to any very scathing critique of Soviet society itself? Hardly. The scientist was too obscure a functionary, the diatribe against careerism too abstract. But Rozov's "Nest of the Wood Grouse," now at the Public Theater in New York, has sharper and more venturesome teeth. Its villain is a high-rider, happy to trample anyone underfoot, and philosophically at one with the scientist-seer of the earlier play. More to the point, he works in the Foreign Ministry in Moscow, and, given the speed at which he's hustling up the hierarchy, could be having a big say in all our destinies a few years hence.

Where Kremlinologists tread with caution, let not critics rush blindly in. It's difficult to think and dig one's way into the mind of any foreign playwright, doubly so when the writer in question pushes his pen on what one might almost call a different cultural planet. Nor do we see so much Soviet drama, either on the stage or the page, that we can easily pontificate about its horizons or health. Certainly, it seems wrong for the powers at the Public to have made "Wood Grouse" part of its season of East European "dissent" work, along with plays by Vaclav Havel and Janusz Glowacki. It involves family friction and the generation gap, subjects no less familiar for being placed in the house of a foreign-service appa-

rat, and it is currently playing to packed houses in Moscow. On the other hand, official tolerance must surely have felt tested by the play's evident impatience with its high-flying bureaucrats and by its friendliness toward those young people who are alienated by their corruption, callousness, hypocrisy and complacency. One isn't surprised to learn that Rozov's latest work, apparently another skeptical look at the private lives of public men, has run into trouble with the theatrical watchdogs back home.

Those watchdogs have, of course, snarled and growled and bared their fangs often enough in the past. Their history is a depressing one, but instructive to recall if one wishes to see



Eli Wallach in "Nest of the Wood Grouse" at the Public.

"Wood Grouse" in its cultural context. Thirty, 40, 50 years ago, its performance would have been inconceivable, its very existence dangerous. Few nations can have boasted so much dramatic talent as Russia under Stalin, and none squandered it so mercilessly. Look at the waste, and grieve.

Mayakovsky shot himself, largely because of official hostility to his theatrical attacks on those abusing their party cards. Erdman was sent to Siberia soon after the banning of his "Suicide," whose hero he'd shown howling "give us the freedom to whisper" into the unhearing ears of the

omnipotent state. Isaac Babel was similarly sucked into the Gulag, and his surviving manuscripts, including that of a play he thought finer than his great "Martya," were destroyed by the Cheka. Bulgakov, denied a stage for "Flight," was obliged to take a menial job at the Moscow Arts; Shvarts abandoned the theater for children's publishing after the suppression of his "Dragon," a wryly brilliant fairy story which accused the proletariat of wanting to be ruled by tyrannical monsters; Olesha, author of the interesting "List of Assets," fell permanently silent after telling a writers' congress that construction sites and five-year plans were "not things I live and breathe." Gorki, officially unassailable, is thought by some to have been poisoned, perhaps because his crusade for oppressed dramatists was becoming embarrassing.

Meanwhile, the Stalinist sun shone on those who, in Gorki's words, reduced drama "to a mechanical combination of facts within the limitations of a preconceived design." If you want to discover how bold "Wood Grouse" must seem, at least to Russians of the older generation, take a look at the much-honored work of Nikolai Pogodin, and perhaps especially his "Aristocrats," which managed to idealize the work camps to which his fellow writers were being ritually dispatched. "Saboteurs" and other seeming incorrigibles, offered understanding and responsibility by an infinitely caring Chekist commandant, trot off to dig the White Sea canal as blithely as Disney's seven dwarfs. Thus transformed into good, upright citizens, they shout hurrahs, weep with manly happiness, and jubilantly toss their jailer in a blanket, while he shakes their hands and primly moralizes about Socialist forces operating "with unheard-of daring, with true Bolshevik austerity, and on the broad scale Comrade Stalin has taught us."

One wonders what Babel, who died in one such paradise, would have said to that. Possibly much the same as Alexander Solzhenitsyn, who emerged during the Khrushchev thaw to write, not only his "Day in the Life

of Ivan Denisovich," but a play about the Gulag, "The Love Girl and the Innocent." He actually read it to a Moscow company, which was reportedly eager to perform it; but then, of course, Soviet permafrost reasserted itself. If you want to discover how difficult Rozov's "Wood Grouse" must seem, at least to some Russian dissidents, take a look at Solzhenitsyn's picture of institutionalized corruption, injustice and evil.

But perhaps that's too severe a test. Beside that fierce and implacable moralist, almost any playwright would seem timid. A fairer comparison is with those of Rozov's contemporaries who, like him, are still performed in Russia. What generalities can be based on an acquaintance with Alexei Arbusov ("The Promise"), Aleksandr Vampilov ("Duck Hunting"), Mikhail Roschin ("Valentine and Valentine") and others of my necessarily limited experience? That several Soviet dramatists write with grace and verve. That they commonly eschew overtly social subjects for personal relationships, which they

One is not surprised to learn that the latest work by Rozov has run into trouble with the theatrical watchdogs back home.

sometimes describe with warmth and humor. That they communicate a liking for minor eccentricity, a faith in love and the young, hence optimism about the future. Happy endings occur in such plays with daunting regularity.

So they do in plays that are more explicitly political. Here, dramatists are sometimes mildly contentious. They're capable of attacking selfish, shortsighted bureaucrats, and of showing wrongs among the Communist faithful. Afanasy Salynsky's "Maria" consists of a long, bitter dispute between an engineer trying to finish a power station on time and a party secretary battling to save the district from his TNT. Arbusov's "Evening Light" is about crusading journalists who rescue a forest from predatory apparitions. There are differences of opinion, errors, setbacks as the new society struggles into being, but they're temporary, and tend to occur a long way down the line of command. Soviet drama is still

not very sweeping, searching or strong in its criticism of Soviet society. Bluntly, it's bland.

American audiences, unfamiliar with the theatrical terrain around it, may find "Wood Grouse" rather bland, too. All they may see is an unwieldy long episode of "Father Knows Best," or perhaps a somewhat melancholy Broadway comedy. Here's Anne Jackson doing her maternal best to hold her family together while Eli Wallach, as deaf to trouble as wood grouse sometimes are to noise, neglects his duty to her, to their troubled children, to everyone except their repulsive son-in-law, who's also his protégé at the Foreign Ministry. The writing varies from the accomplished to the awkward, and so does Joseph Papp's company at the

Public. Mr. Wallach is wonderfully flummoxed, hilariously frazzled, yet undoubtedly miscast in a role that also asks him to be jovial, gross and occasionally brutal. At times it's as if Khrushchev were being played by the White Queen, not a transformation that makes the evening more hard-hitting.

But to see the play as mere boulevardism is to ignore an awful lot. The reason this household is troubled has much, very much, to do with the world immediately beyond it. Out there, ordinary citizens are clamoring for commodities, from medicine to justice itself, that only the privileged can be sure of obtaining. The son of one of Mr. Wallach's colleagues commits suicide, a catastrophe that gets his father coldly categorized as unreliable and unpromotable. Mr. Wallach's own son has a bad case of anomie, too; why, he wonders, should he be quietly sneaked into the International Relations Institute while his proletarian girlfriend he-

comes a grade-school teacher, despised by the children of the elite? Meanwhile, Mr. Wallach himself spends his time fixing, wangling, trading favors, blithely unconscious of the slightest contradiction when he brags to visiting foreigners about Russia's lack of class distinctions, poverty, materialism, and so on. And his son-in-law, played with sinister anonymity by Dennis Boutsikaris, slyly exploits his prestige to get the top job he himself wanted, and then prepares to abandon the family for the daughter of an official answerable only to the Foreign Minister himself.

Rozov is clearly a reformer, not a radical, and in some ways the sort of reformer the late Yuri Andropov appears to have been. He wants the system cleansed, not changed. He wants a less spoiled and unprincipled bureaucracy, and more of the idealism of youth, more of the proletarian energy rambunctiously represented in the play by the fruit seller who saves Mr. Wallach's son from the consequences of the disgust and despair beginning to overwhelm him. So far, so orthodox. What's less usual is the simultaneous height and depth of the corruption Rozov shows, and its apparent invincibility. At the end of Molière's "Tartuffe" an emissary of the Sun King saves Orgon from the city hypocrite who has fleeced him. No such *deus ex machina* comes from the Kremlin to arrest Mr. Wallach's remarkably similar son-in-law. He's 29 years old and seemingly unstoppable.

Nor is the play's only surprise its substitution of a distinctly ominous ending for the customary reassurance. There are, for instance, several hints that religion maintains its old hold on the Russian spirit, culminating in what's rather less of an emotional climax at the Public than it should be, a scene in which the appalled Wallach tries and fails to make his daughter spit on the icon before which he's found her tearfully praying. Rozov once compared himself to a fireman, prepared to go into a burning house and face what was inside while others rushed out: "The writer must say everything he sees and feels as a citizen; if he does not he forfeits the title of writer." From many, perhaps most, Soviet playwrights that would be either a fib or an admission of myopia. But Rozov has earned the boast, at least in the case of "Wood Grouse."

Hollywood and Broadway Share a Wealth of Talent

By WALTER KERR

Have you recently had the feeling that you're seeing double?

I mean, have you perhaps gone to the movies of a Monday and seen William Hurt up there on the screen, and then gone to another movie on the Thursday following and seen Christopher Walken up to his ears in Cinemascope, and then gone to a Saturday-matinee performance of the new David Rabe play, "Hurlyburly," only to find yourself staring at the same two gentlemen in the living-and-breathing flesh on a Broadway stage — with not the least bit of fuss being made about it? Did you feel similarly surrounded, earlier this season, as you came away from Circle in the Square's "Heartbreak House" remembering how fetchingly Amy Irving had just curled up in Rex Harrison's arms, and also remembering — in the same flash of recall — that Miss Irving was the same Miss Irving still appearing in your neighborhood fiveplex as Barbara Streisand's bride in "Yentl"?

It's happening all the time lately, and, because we're not quite accustomed to it, it can cause lightheadedness and — in certain of the more attractive cases — shortness of breath. Consider that Glenn Close has been in practically every film you've seen since last fall while at the same time she's been showing up nightly at the Plymouth on 45th Street to do her duty by Tom Stoppard's "The Real Thing." Of course, we all understand that a film can be made any old time if actors are free; it is then put into cans for release at some unspecified future date, which is what causes these ghostly coincidences. But when, I ask you, has Miss Close been free? I don't honestly think she has any special genius for scheduling. I think she's been cloned. There have got to be two of her running about, one for movies, one for Tom Stoppard. For that matter, I'm not certain her Plymouth co-star, Jeremy Irons, does all his own movie moonlighting, either.

I could cite you a whole seasonful of just such "clones" — I swear I saw the lovely Elizabeth McGovern in four films while I was still trying to analyze what bothered me about her performance at the local Lambs' Club — but I'd better get on to my reason for bringing this dizzying matter up. I call it dizzying, but it's actually historic — as important as important can be. A 50-year logjam is in the process of breaking up. Hollywood and the New York stage are no longer separate, sealed-off entities. The news is happy news.

Movie stars, as we all know, have visited the New York stage before. But not in numbers. And not in their bloom. As a rule, we inherited movie stars one at a time, and then only when their time was running out. If a given star was turning 50 and fresh out of a contract at Paramount or M-G-M, he or she might very well cast sheep's eyes at Broadway, thinking of a possible second career. Gloria Swanson had made only one film in nine years when she came on

to do a revival of "Twentieth Century" with Jose Ferrer. As it happened, she looked and sounded just dandy in the part.

Some actors have made visits to the stage on principle, even though they had all the movie work they could handle and probably hated the torn-up housekeeping that moving from one coast to the other entails. They felt that they owed the theater something — their training, perhaps. Franchot Tone did this more often than most. Katharine Hepburn did it once to her regret ("The Lake") and once to reestablish herself triumphantly ("Philadelphia Story"). Jimmy Stewart took over "Harvey" to get in trim for the movie version he was due to play, and Spencer Tracy tried Robert Sherwood's "The Rug-

What happened to create a film-stage ensemble?

ged Path" only to discover that rugged was the right word for the experience.

But we never — until now — have had London's luck, the opportunity to pluck stage casts for new plays out of a common pool of stage and screen players. We've known about London's luck all along, and sometimes bemoaned the fact that we weren't a tight little island, too. Our coasts were so far apart that once a stage actor up and got himself a successful movie role, he generally planned or trained out to the West for good and all — so that there were "stage" actors in New York and "film" actors in Los Angeles, and never the twain shall tangle.

London, on the other hand, could always tap Ralph Richardson on the shoulder, or ring up John Gielgud on impulse, to see if either might like to do a six-month stand on the West End before agreeing to another David Lean or Carol Reed film. Or, if it wasn't too much trouble, mightn't they like to do both at once, filming by day and taking curtain calls by night? The young Alfred Hitchcock could have Michael Redgrave or Dame May Whitty any time he wanted, and so, if it had a mind to, could the Old Vic. All performers were locally based, available to both media, and no discrimination allowed.

This made for extremely well-acted movies, and for stage companies that had the audience swooning five minutes after the curtain went up. On my first trip to London I recall seeing John Gielgud, Ralph Richardson, Irene Worth and Sybil Thorndike gather together on the very same stage. That was quite a group to assemble, all the more remarkable considering the fact that both Gielgud and Richardson made films within the year.

Now, all of a sudden, our own fortunes seem to be changing. Did I

mention that Mr. Hurt and Mr. Walken are by no means alone in "Hurlyburly" but have, as companion players of equal status (or equal billing, anyway) Sigourney Weaver, Harvey Keitel, Judith Ivey, Cynthia Nixon and Jerry Stiller? A stage-movie mix, you see. And you'll find Circle in the Square's "Design for Living" stirring another, if slightly smaller, mix: Raul Julia, Jill Clayburgh, Frank Langella.

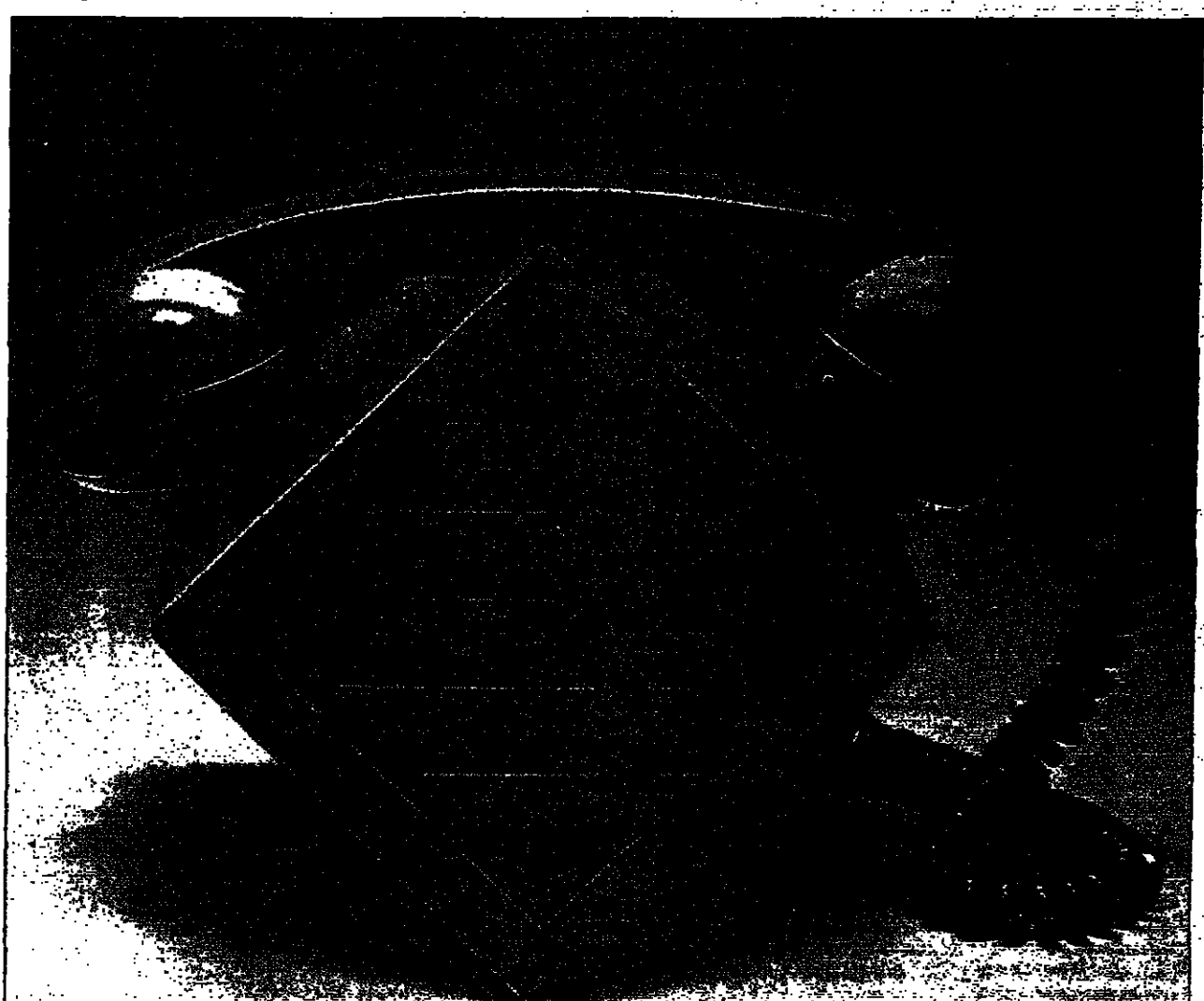
How come? What happened to put an end to the great rift and to create — really for the first time in this country — a sort of film-stage ensemble? Well, we know the first and most obvious cause: the collapse of the studio system. In the old days actors went to Hollywood, and stayed in Hollywood, and felt comfortable only in Hollywood, because the paternalistic studios looked after them so tenderly. (And because they had iron-clad seven-year contracts.) The studios nursed and shaped their players' careers, found them scripts or had suitable scripts written for them, oversaw the promotion of their films, practically cooked and served their dinners. Security was named Warner Bros. or Twentieth-Century Fox, and after a while inertia was beautiful.

By the late 1950's, however, continuity had disappeared. No more long-term contracts with their various perks. No more studio task forces bent on altering a performer's teeth, eyebrows and spiritual image for the rise to superstardom. New stars would still arise, all right, because of striking individual performances, or thanks to dear old luck. But they would be one-picture stars unless they made the right decision on the next script to accept. Each actor was his own man, now, each actress her own woman. For a while they were a bit lost. But if they were free in the sense of being "at liberty," which is to say unemployed, they were also free in the sense of being able at long last to do what they damn well pleased.

Clearly, one of the things that was beginning to tease and/or tantalize them was the prospect of flirting with New York, with the legitimate stage.

Still, it took a while for screen actors en masse to decide that it might be profitable to settle down in a Broadway theater, get to know their stage-bound neighbors, arrive at a stage-screen fusion that would be fluid and easy. "The Hospital" was made in 1971. I'd say it wasn't until 1980 that a comparable mix of movie and theater people appeared — and looked absolutely seamless — on a Broadway stage. Remember the company of the "Morning's at Seven" revival of that year? It was what you mean by a mix: Maurice Copeland, Teresa Wright, Elizabeth Wilson, Nancy Marchand, Richard Hamilton, David Rounds, Lois de Bance, Maureen O'Sullivan, Gary Merrill. You've got three M-G-M, Twentieth Century-Fox, United Artists alumni in that lineup on equal terms with the locals, a blend that turned out to be perfection itself.

Now, four years later, it would seem that the dam is about to break.



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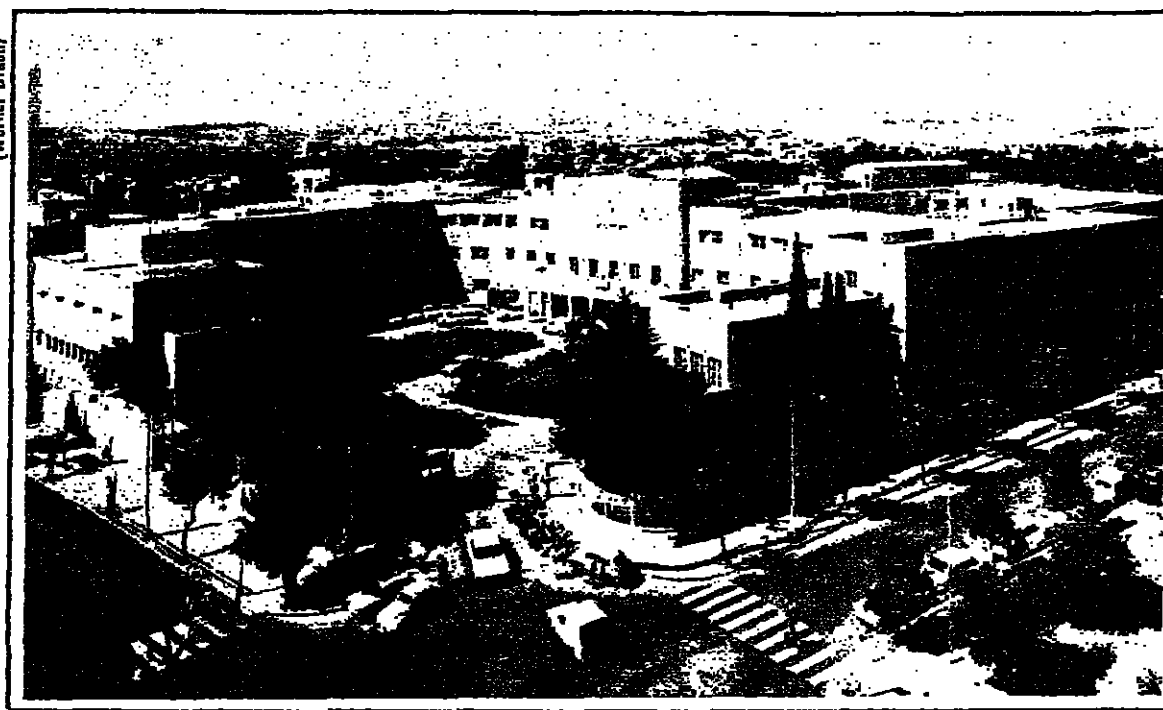
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Beyond the Jewish Agency

By ELIEZER JAFFE



THIS YEAR another troop of Diaspora leaders will converge on Jerusalem to attend the Jewish Agency Assembly and go through the motions of participating in the allocation of over \$400m. of philanthropic funds.

They will be safely sequestered by the event's organizers, and bombarded by P.R. from every one of the Jewish Agency's departments and other beneficiaries. For months these departments have been ploughing donor money - i.e. from the UJA and Keren Hayesod - into sophisticated publicity and information efforts to promote a sense of satisfaction with what is being done and to urge continued funding for more of the same.

This has led to a situation where dissident ideas and opinions have little chance of penetrating the pervasive monopoly around the leadership's time, touring, and literature concerning philanthropic work in Israel. Non-partisan ideas about alternative uses for charitable funds, about the future of the Jewish Agency and its politicization and about accounting donor money spent in Israel have a better chance of being reported in *The New York Times* or the *Wall Street Journal* than in community newspapers sponsored mostly by Jewish Federations or at meetings set up by the mainstream fund-raising and fund-spending organizations. The Jewish Agency and the UJA are reluctant to promote and fund public debate on these topics, to put it mildly.

ONLY RARELY have some of the more sophisticated federations, such as that of San Francisco, under the outstanding direction of Brian Lurie and his leadership, set up their own fact-finding "Israel Committee," and looked closely into how their allocations are spent in Israel.

They have broken through the missions, pre-cooked Jewish Agency assemblies, the "Caesarea Process" and the emotional pleas to "give more and leave the driving to the Israelis." In brief, they represent a new breed of intelligent, personally involved philanthropists who want more accountability for their money at the recipient end of their fund-raising effort.

Unlike many top Jewish Agency and Diaspora fund-raising officials, I strongly believe that donors do want to hear more about the problems and politics of the Jewish Agency. They are increasingly suspicious of what is done with their money here, and they want total say over the use of their hard-earned funds. They have no use for mingling Israeli politics

with philanthropic work, and are not tied to pre-state, anachronistic structures. They understand the power they wield, since without their funds, the Jewish Agency and perhaps the World Zionist Organization would probably collapse overnight.

In 1983, after continued rejection of my suggestion that the Jewish Agency (specifically, the United Israel Appeal office, which represents the American donor leadership) hold a pre-assembly briefing for foreign delegates on the mechanics, problems and politics of the Jewish Agency, I decided to hold my own "Off-Broadway" briefing session. With \$400 of savings I rented a ballroom at the Jerusalem Hilton and recruited two other speakers after dozens of candidates politely refused to participate for fear of jeopardizing agency grants, speaking invitations and other benefits. A mimeographed invitation was hand-circulated to delegates in the lobbies of Jerusalem hotels.

Over 200 people showed up for an excellent, frank, three-hour discussion on the relationship between fund-raisers and Zionist politicians and the future of the Jewish Agency.

One energetic participant from South Africa kept jumping up and asking, "Yes, yes, we know what's wrong, but what should we do about it?"

IT SEEMS to me that there are five major options:

- Maintain the status quo. Many employees, political appointees and party representatives lodged in Jewish Agency departments see no need for change, and believe it would be unrealistic for foreign donors to force their will on the Israelis. This view is supported by some veteran Diaspora leaders who are willing to live with Israeli politics in the Jewish Agency so long as the parties send their best possible candidates, and so long as veto power over these candidates remains a prerogative of the fundraising leadership. But this will not suit those who believe that the fund-raising leadership does not have enough control over donations, and accommodating political influence is a wasteful, unnecessary arrangement.

- De-politicize the Jewish Agency. Give control of the agency to the American and other fund-raisers. This would mean total removal of WZO representation from the Jew-

ish Agency, and of Israeli political parties from the agency's governing bodies. In this vein, Prof. Daniel Elazar once proposed that an Israeli UJA be created, enabling Israeli donors to take the place of Israeli political (WZO) representatives.

This view assumes that the present Israeli political representatives will voluntarily relinquish control over the Jewish Agency's funds and departments, and that a new crew of Israeli donor leaders will be less political than present party appointees. It also presumes, rather wistfully, that Israeli philanthropists can change their current style of giving from earmarked donations to centralized philanthropy.

THIS IS a "trade-off", middle-of-the-road approach which, incidentally, is becoming popular with a growing number of private donors and families. At the Federation level, it means holding a proportion of UJA funds in local banks to be released directly for earmarked non-profit projects in Israel, according to recommendations of the Federation's Israel Committee or some other Federation forum. The rest of the Israel-bound campaign funds

would go to the Jewish Agency via the regular United Israel Appeal conduit, but greatly reduced in size.

The above arrangement provides much more flexibility and involvement opportunities for a network of "Israel Committees" from the Federations, and lessens the scope and power of the Jewish Agency. There would also be a need to guarantee stringent follow-up and accountability procedures for UJA funds that continue to flow to the Jewish Agency. The inherent problems connected with the *status quo* would persist.

This approach could also become a temporary "holding-pattern," until Federations decide whether they can or should reform the Jewish Agency, or whether they should abandon it entirely.

ALTHOUGH David Ben-Gurion could never quite bring himself gracefully to dissolve the Jewish Agency after the State was created, the philanthropic community abroad (i.e. the major Federations and the UJA) could do so within a year of cessation of funds. In place of the Agency, there could be established a non-political, independent international "Israel Fund," "Foundation"

organization, with a relatively small overhead for bookkeeping, legal advice, rental of modest office space, and staff. Funds would be directly forwarded to the Foundation via the United Israel Appeal and Keren Hayesod, or via American and world tax-free conduits such as the PEF-Israel Endowments Fund in the U.S.A. or a newly established totally non-political substitute for the UJA in New York.

IT SEEMS clear that there is a definite but slow process of evolutionary change now taking place, forced by the Diaspora leadership, which will result in reform of the Jewish Agency. My impression is that a widening circle of leadership is undergoing a period of in-depth self-education about the problems of the Agency, perhaps resulting in some greater representation on its governing bodies, and better evaluation and accountability mechanisms - all in an attempt to salvage the Jewish Agency while openly accommodating to continued politicization of the Agency by Israeli political parties.

These stop-gap, cosmetic efforts are proving unsuccessful in soothing donors' growing anxiety about the use of their monies. And rebellious Federations in Israel revolt and engage in independent activity. The UJA-UJA leaders will be forced to be much more open and honest with donors about the need for really basic change.

Eventually, there will have to be a complete divorce between the WZO and the Jewish Agency (i.e. removing the political appointees from the Jewish Agency governing bodies, from the operational Departments of the Agency, and from the UJA and Keren Hayesod conduits). If this is done, there may be a chance to salvage the Jewish Agency.

However, if such a divorce is not attempted or possible, then it will be necessary to create a world movement for cessation of charitable donations to the Jewish Agency. It would urge by-passing the Agency by creating a new International Jewish Foundation such as described above. Signs of movement in this direction include increased private, direct philanthropy in Israel by individual donors, new foundations, and avant-garde Federation activity. All these developments reflect the fact that people are turning from the UJA and mainstream fundraising for

Israel. Thus, the sickness at the Jewish Agency can be very infectious for the UJA itself, with implications for local Federation income raised as a part of UJA appeals.

THIS IS the time for devising a new vehicle for successful, accountable, Diaspora philanthropy in Israel. The fascinating case of Raphael Kotlowitz, who enjoyed a political fiefdom at the head of the Aliya Department of the Jewish Agency, and the obduracy of the Herut Party in insisting that the Aliya Department "belongs to them," should be very instructive to Diaspora leaders and UJA donors. It unmasks the basic motivations of the World Zionist Organization's "Zionist" partners: that is, continued politicization of the Jewish Agency by Israeli political parties, exporting Israeli party politics to Diaspora communities (who couldn't care less), and political control over UJA and Keren Hayesod charity which flows into the Jewish Agency from unsuspecting Jews abroad.

Without access to these philanthropic funds, the WZO would soon be reduced to its real size, an anachronistic throw-back that should have been honourably absorbed into the government ministries and politics of the new-born State of Israel.

Unfortunately, no Israeli government thus far has found the vision or the courage to dissolve the WZO or the Agency. Ironically, this feat may turn out to be the most outstanding achievement of the Diaspora leadership, for an insistence on depoliticization of the Jewish Agency, and a blocking of WZO access to funds and patronage, may finally convince both the government and the political parties that there are no spoils to fight over, and that Zion and "Zionism" can manage fairly well today without the WZO and even without the Jewish Agency.

These are the issues confronting serious UJA leaders and thinking donors. If money and partnership philanthropy are presently their major vehicles for identifying with our problems here in Israel, then they must guarantee the maximum possible impact from that investment. Donors must collectively or individually find the best way to attain this goal, and distinguish between it and fraternal feelings, or guilt for not coming on aliyah, or the *status quo* conferred by the UJA and the Jewish Agency today.

The writer is a professor of Social Work at The Hebrew University.

Time now for a real debate

By AVRAHAM AVI-HAI

THE constitutional debate over the balance of control over the Jewish Agency may very well conceal the true debate over the soul of the organized Jewish communities in the Diaspora. The Agency rests on two bases: the World Zionist Organization and the fund-raising community organizations.

The constitutional process of change, known after the place where it began, Caesarea, is an overdue attempt to recognize the relative weight of the fund-raising organizations. It represents the attempt by some Zionists and most "fund-raisers" to remove the Agency from anachronistic Zionist party control.

The process is necessary, almost inevitable. But its long delay has resulted in another basic problem arising, which is being ignored or neglected to the grave danger of both Israel and the overseas communities. Under the impact of non-ideological, achievement-oriented community and campaign leaders, community campaigns controlled by local Jewish federations have tended to produce a basket of Jewish "needs" to be projected and met. The campaigns address them-

selves, particularly in the United States, to local needs: a varied mix of educational, social welfare and service "beneficiaries," which often receive on average close to 50 per cent of net cash income, if not more. As the performance-motivated business and professional lay-leaders "sell" these needs, so they "sell" Israel's needs more and more.

As a result of this parity, "Israel," i.e. the Jewish Agency, is often seen as just another beneficiary, the end product of a philanthropic process. This also accounts for the "weeping child" pity propaganda used to portray Israel's need. That is not what the UJA is about. Not at all.

Keren Hayesod, the "foundation" fund, was created to finance the founding of the Jewish State. The UJA in the United States was formed after Kristallnacht in 1938, when the danger to European Jewry brought together leaders of the national United Palestine Appeal

(an outgrowth of Keren Hayesod) and the Joint Distribution Committee, which, with local "federations" and "Jewish Welfare Funds," ran the community campaigning. After statehood, the Jewish Agency, the World Zionist Organization and hence the UJA, the fund-raising arm in the United States, and Keren Hayesod, the equivalent in all other Diaspora countries, were charged with ongoing basic Zionist tasks.

SEEN AS "voluntary" tax-collecting bodies, these organizations were permitted by the Israeli Knesset and government to deal with immigration, land settlement, youth training and the voluntary people-building tasks, in consonance with overseas tax laws. The Israeli-Zionist component

was not "the beneficiary." It was the full and senior partner in responsibility and in receipts. As time passed, generations brought up on shallow campaign slogans and tear-jerking gimmicks were not conditioned to see Israel as a mover and cause. They no longer perceived the Jewish Agency as the budget of the entire Jewish people, but as a beneficiary of their campaigns.

It seems that neither Israeli nor American Jewish leaders were sufficiently aware of the estrangement of "community"-based local leaders who created lists of "beneficiaries" for "allocations," including Israel. In the Keren Hayesod world, mainly based on "Israel" campaigns, this has been less the case, although American influences are becoming ever stronger and more pervasive.

Keren Hayesod, however, unlike the UJA, has a direct connection not just with the Jewish Agency, but with the WZO as well. Thus its philosophy and organization, and the fact that its world headquarters are in Jerusalem, make the idea of "national" budget and participation in people-building more central, though often still insufficiently perceived.

The present Jewish Agency Assembly now convening in Jerusalem must decide to reverse the trend and launch a massive educational campaign to restore the true partnership, recognizing Israel's primacy in its national role. The Agency is not a "beneficiary." It is the motivating and unifying expression of a vision being realized.

This is not an Israeli problem. It goes to the heart of the relationship of the American Diaspora with Israel. Therefore, the responsibility rests squarely on the shoulders of the leaders of the Diaspora.

The call from the Assembly must be followed up on the national level in the U.S. and in each separate community. The time for the real debate has come.

Only against this background, does the Caesarea process make sense.

The writer, a member of the Jewish Agency and World Zionist Organization Executives, is world chairman of Keren Hayesod and has been a leader in attempts to reform both bodies.

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Comeback seen for larger diamonds

By JOSEPH MORGENTHAU
TEL AVIV. — Over the years De Beers Consolidated Mines through its Central Selling Organization, its marketing arm for the sale of roughs, the raw material used in polishing diamonds, has effectively controlled the price of diamonds. The policy always was to make sure that prices of polished diamonds rose at a rate that matched, or slightly surpassed the rise in inflation.

In 1978 the situation got out of control. The prices of large polished diamonds broke away and upward from the traditional pattern. This was not the same with the lesser qualities. By the latter part of 1980 a "D" flawless diamond was priced at an unheard of \$65,000 a carat, several times its pre-1978 price. Subsequently, the price of this flawless diamond plummeted and in 1983 it was selling for between \$12,000 and \$15,000.

The fall in price of the "D" flawless was accompanied by economic recessions and high interest rates. The industry was plunged into a recession from which it has not yet recovered, though sales of diamond jewelry were not affected but actually surged ahead.

The New York City market place was particularly hard hit. It is this market which is carefully watched by other diamond centres. "As New York goes, so goes the rest of the world" is a common belief. The Israeli diamond industry which unlike New York City generally supplies melted, or small diamonds, has usually seen its fortunes follow those of New York.

It now seems that the larger diamonds, which have generally been written off as an investment, may be poised for a major revival of interest and rising prices. The signs pointing to such a recovery are becoming evident. Over the years in the De Beers annual statement the words of company chairman Harry Oppenheimer have been carefully studied. His predictions of future trends have, more often than not, come true.

In the recently issued annual report for 1983, Oppenheimer states: "In the long run, there is good reason to have confidence in the value of the larger stones of high quality. While there have been in recent years a number of important new diamond discoveries, the bulk of their output consists of below-average quality stones. The larger and more valuable diamonds come mainly from the old established mines, whose output continues to decline. The large, good quality diamonds, therefore, can only become rarer and should increase in value."

The same report points out that stocks of rough diamonds are about \$1.8 billion. Market observers suggest that the majority of diamonds held in stock are large stones. By withholding these large stones from the market their value should rise. Nature has a tendency to create small, rather than large stones.

Also, the Central Selling Organization has since the November 1981 sight sale been holding back on the supply of the top colours and qualities of larger roughs.

An important indication that De Beers plans to raise prices of large stones is its recently begun massive jewelry advertising campaign. Priority is given to the promotion of quality.

Taking all these points into consideration, it appears that larger diamonds will again come into demand. It may not be farfetched to think that the "D" flawless may double in price over the next year or two. The Oppenheimer magic coupled with the De Beers worldwide strength will undoubtedly have the desired impact. Industry sources suggest that the "D" flawless will double in price to \$25,000 by 1985.

If the New York City centre prospers, the echo will resound in the halls of the Ramat Gan Diamond Exchange.

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Angel Bakeries issue oversubscribed 4 times
By PINHAS LANDAU
Jerusalem Post Reporter
TEL AVIV. — The initial share offering of the Shlomo A. Angel bakery company was oversubscribed by 4.12 times the amount of shares on offer. The company sought to sell 670,000 units of 100 ISL shares at the price of IS275 per unit.

By the time the lists closed on Friday, bids had been received for 2,761,430 units — more than 4 times the number offered. The company therefore decided that bids for up to 200 units would be allotted in full, and larger bids would receive 28.59 per cent of their request, but not less than 200 units and not more than 6,700 units for any one order.

The decision of the company to issue its shares despite the unfavourable conditions in the share market, and not to engage the services of an underwriting firm, have thus been fully vindicated.

Meat substitute
TEL AVIV. — Pedco (Vegetarian Protein) Products recently shipped 15 tons of its soya-based meat substitute to England. In 1983, the company exported goods valued at \$150,000, about ten per cent of its production. Recently, in cooperation with a South African company, it set up a company which plans to build meat-substitute plants in various African countries.



The new 130-room wing of the Jerusalem Moriah Hotel.

Dim outlook for cotton spinning here

By MACABEE DEAN
Jerusalem Post Reporter
TEL AVIV. — There is no future for cotton spinning mills in Israel. This is the conclusion of a study of this industry carried out by the Productivity Institute on behalf of the Ministry of Industry and Trade.

The survey notes that imported cotton thread costs 23-24 per cent less than the local product.

"And although local users are ready to buy locally produced thread at a price 10 to 15 per cent above that of the imported item, because they can be assured of rapid and steady supplies, they are not ready to pay more than that, the study shows.

According to another finding, no plant in Israel, even those using the most modern machinery, can produce thread for less than 15 per cent of the cost of the imports.

It is noted that the situation is likely to get worse in the future. More and more developing countries are moving into the field of spinning cotton thread, and their governments not only help with the investment for setting up the plants, but also grant continuous incentives. It would be impossible for Israel to compete under such conditions, especially since much foreign labour is cheap.

Finally, the report says, a situation will soon be reached where enough thread will be produced in the world to lead to widespread "dumping."

The report states that Israelis should concentrate on those fields where they have a relative advantage, such as in fashions and in "specific products," which take imagination and vision to produce.

Hamashbir Hamerkazi had IS45.3b. turnover

By YITZHAK OKED
TEL AVIV. — The Histadrut-affiliated Hamashbir Hamerkazi cooperative wholesale organization reported a turnover of IS45.3 billion for 1983, and this year's turnover is expected to be IS54 billion.

General manager Shlomo Aizner said here yesterday that although 1983 was a very difficult year the company came out with a nominal profit of IS1.7b.

Since Hamashbir is a cooperative organization it does not pay stockholders any dividends. Its earnings are plowed back into the organization to improve services to stockholders. A full 98 per cent of the stock is owned by settlements affiliated to the Histadrut; the remaining 2 per cent are held by purchasing organizations of these settlements.

Hamashbir Hamerkazi was established in 1916 at Kvatat Kinneret. On Thursday the society will hold its 26th convention at Kibbutz Shefayim. The main topic will be mobilizing means to carry out a further expansion programme.

Modern Living Fair attracted over 400,000

TEL AVIV. — The Modern Living Fair which closed here on Saturday night attracted a record number of visitors this year. Ya'acov Bar-Gera, the general manager of the Israel Trade Fairs Centre estimated that over 400,000 people visited the fair during the last two weeks.

The closing event of the fair was a lottery of all the entrance tickets sold. The winning number was good for a Fiat Uno car. It was held by Haim Tzelzi, 35, of Bat Yam.

WHAT'S ON

Notices in this feature are charged at IS840 per line including VAT, insertion every day of the month costs IS18,810 including VAT, per month. Copy accepted at offices of The Jerusalem Post and all recognized advertising agents.

JERUSALEM MUSEUMS

Israel Museum, Opening Exhibition: The Other Side of the River, literary objects from ancient Egypt (25.6), Continuing Exhibitions: Happy Accidents, ready made and photographs: The Well-Built Elephant; How to Wrap Five Eggs; Joan Miro, sculptures: Eight Years of Sculpture in Israel; Marc Chagall, book illustrations: Windows to Israel; Jonathan Borovick, environmental sculptures and paintings; Dudu Mezach, sculpture installation; 12 Pages from Cairo Geniza; News in Antiquities; Tom Seidmann Freud; Scars: Permanent Collection of Jewish Art and Archaeology; Ticho House; Works by Anna Ticho; Collection of Hanukkiot (open 10-30; Fr. 10-30); Rockefeller Museum News in Antiquities; Finds from Phoenician Tombs, 10th to 7th cent. B.C.E.; How to Study the Past (for children); Paley Centre, next to Rockefeller Museum; Closed Saturdays.

Visiting Hours: Main Museum 10-5, At 11: Guided tour in English, 3:30; Children's film, "Little Lord Fauntleroy"; 3: Special guided tour of Archaeology Galleries, 8:30; Concert, Mendelssohn Evening.

CONDUCTED TOURS
HADASSAH — Guided tour of all installations: 9: Hebrew tour at Karyat Hadassah and Hadassah Mt. Scopus, 9: Information, reservations: (02-416333, 02-416271).

Hebrew University:
1. Tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus, Buses 9 and 2.
2. Mount Scopus, tours 11 a.m. from the B'nai B'rith Reception Centre, Sherman Building, Buses 9 and 2 to Last Stop. Further details: Tel. 02-582491; 02-582492.

American Mirachi Women, Free Morning Tours — 8 Alikat Street, Jerusalem, Tel. 02-474222.

Tel Aviv

MUSEUMS
Tel Aviv Museum, New Exhibition: Nahum Gutman, paintings and illustrations, White City, International style architecture in Israel. Continuing Exhibitions: Collections: Classical 17th and 18th century painting, Impressionism and Post-Impressionism; 20th Century art: Selection of Israeli Art, Twentieth Century in Israel Art, Special Exhibitions: Prints from Jerusalem Print Workshop Special Loans, including paintings by Monet, Miro, Picasso, Bernard, Matisse, Rothko, Gericke and others. Visiting Hours: Sun-Thur 10-10, Fri. 10-12, Sat. 10-12, 7-10 (Hebrew University Pavilion); New Exhibitions: A Pear and an Apple — Exhibition on Still-Life, Visiting Hours: Sun-Thur 9-12, Sat. 10-12, Fri. 10-12.

CONDUCTED TOURS
American Mirachi Women, Free Morning Tours — Tel Aviv, Tel. 220157, 243100.

WIZO — To visit our projects call Tel Aviv, 220157, Jerusalem, 220080; Haifa, 8557.

PIONEER WOMEN — KAMAT, Morning tours. Call reservations: Tel Aviv, 244706.

Haifa
What's On in Haifa, dial 04-488460.

Your money & your questions

By JOSEPH MORGENTHAU
QUESTION: I am a returning Israeli who has been living in the U.S. for three years. While there I bought Elscint shares with money earned locally. What are the regulations concerning my shareholding now, after my return?

ANSWER: Within three months of your return these shareholdings must be transferred to Israel, where they will be deposited in a resident share deposit account. You may hold the shares now or dispose of them. If you sell them, the money of the sale will be credited to your *patan* resident dollar account.

QUESTION: I am planning to travel abroad after July 15. I understand that the \$100 travel tax is adjusted in shekel terms on the 15th of every month. Can I pay the tax before the 15th and thus avoid paying an increased shekel rate?

ANSWER: Since you are leaving the country after the 15th it certainly would be worth your while paying the tax a few days before your departure.

QUESTION: The price of the Elscint shares has recently moved down rather sharply. Is there some special news to account for the decline?

ANSWER: On June 11 the shares of Elscint were quoted at IS14.5-14.7. On June 20 they were quoted at IS10.4-11. On June 19 Elscint announced the results for its fourth quarter ending March 31, 1984. The

report said: "The company is expected to show a profit, but substantially less than the \$6 million previously anticipated for the quarter." For more than five years Elscint sales and earnings have shown a sharp rise from quarter to quarter. The public has acquired confidence in the firm's ability to continue the performance. When the announcement was made that this was no longer the case, selling pressure developed. Whether the level of confidence will return remains to be seen, however, the company has announced that "sales in the first quarter, ended June 30, 1984, will be much improved over the previous quarter and profitability will return to normal."

QUESTION: We are permanent residents living in Israel for more than 20 years and we are both over 70. Our senior citizens institution charges a monthly maintenance fee, which is the equivalent of \$500. If we keep our funds in a *patan* dollar account we may get approximately 8 per cent a year before any taxes. Is there any other investment arrangement which would suit our needs?

ANSWER: Since your monthly financial obligation is the equivalent of \$500 you will be playing it safe by putting aside your funds for making the payments in a dollar account. Even if the Treasury should establish a two-tier rate for *patan* dollars, you will have the necessary funds to meet your obligations.

E.C.I. raises \$6.5m. in U.S. market

Jerusalem Post Reporter
TEL AVIV. — The Electronics Corporation of Israel (E.C.I.) last Thursday successfully completed a \$600,000 share offering on the over-the-counter market in the U.S. at \$10.50. As a result of the offering the company will realize \$6.5 million. E.C.I., which was founded in 1957, became a public company in 1981. The company makes electronic

telecommunication systems, employing microprocessors and advanced digital systems. The company's Telephone Circuit Multiplication systems are designed to enable telephone companies to use their networks more effectively by doubling the capacity of transmission facilities, or in the case of private line users, to reduce the number of lines leased.

ENTERTAINMENT

TELEVISION

EDUCATIONAL:
8:40 School Broadcasts 15:00 Surprise Train 15:30 Contact 15:50 Follow Me — English for Adults 16:00 The Heart 16:25 Rehov Sussman 17:00 A New Evening — live magazine.

CHILDREN'S PROGRAMMES:
17:30 Kites — programme for 8-12 year olds 18:00 Cartoons

ARABIC-LANGUAGE programmes:
18:30 News roundup 18:32 Programme trailer 18:35 Sport 19:15 Ramadan Quiz 19:30 News

HEBREW PROGRAMMES resume at 20:00 with a news roundup 20:02 Fancie Secrets 20:50 Driving Home — programme to encourage better driving habits, introduced by Haim Goldblatt 21:00 Mabat Newsreel 21:30 Political Broadcasts 22:10 This is the Time 23:00 Callan — new British espionage series starring Edward Woodward, Russell Hunter and Patrick Mower: Where else could I go? 23:50 News

JORDAN TV (unofficial)
18:30 Cartoons 19:00 French Hour 19:30 (JTV 3) Science film 20:00 News in French 20:30 News in Hebrew 21:00 News in Arabic 21:30 The Blue and the Grey 22:30 Doctor at Large 23:00 News in English 23:15 Verdi

MIDDLE EAST TV (From T.A. north):
13:00 Tonight 13:30 Another Life 14:00 700 Club 14:30 Shape-Up 15:00 Afternoon Movie 16:30 Spiderman 17:00 Pageye 17:30 Super Book 18:00 Laramie 19:00 Bonanza 20:00 Another Life 20:30 World News Tonight 21:00 Entertainment Special WKRP in Cincinnati 21:30 NBA Basketball 22:30 700 Club 23:25 News Update

First Programme

6:03 Programmes for Olim
7:30 Morning Concert (from Voice of Music)
9:30 Encounter — live family magazine 10:30 Programme in Easy Hebrew 11:10 School Broadcasts 11:30 Education for all 12:05 A Guest For an Hour 13:00 News in English 13:30 News in French 13:55 Children's programmes 14:55 Notes on a New Book 16:05 Talk on halachic matters 16:05 Afternoon Classics 16:47 Bible Reading 19:05 Reflections on the Portion of the Week 19:30 Programmes for Olim 22:05 Every Man has a Star

Second Programme

7:00 This Morning — news magazine 8:05 Safe Journeys 9:05 House Call — with Ruvka Michaeli 10:10 All Shades of the News 12:10 Open Line — news and music 13:00 Midday — news commentary, music 14:10 A Taste of Honey — with Dan Kaner 16:10 Safe Journeys 17:10 Economics Magazine 18:10 Consumer Broadcast 18:45 Today in Sport 19:05 Today — radio newsreel 19:30 Law and Justice Magazine 20:05 Cantorial Music 22:05 Folk songs 23:05 Treasure Hunt

Army
6:00 Morning Sounds 6:30 University on the Air 7:05 707 — with Alex Anski 8:05 Morning Newsreel 9:05 Right Now 11:05 Israeli Summer — with Eli Yisraeli 13:05 Two Hours 14:05 Four in the Afternoon 15:05 Evening Newsreel 16:05 Army and Defence Magazine 16:05 Music Today — music magazine 17:00 Golden Oldies Hit Parade 21:40 Mahal — TV newsreel 21:55 University on the Air (repeat) 22:05 Popular songs 23:05 One for One (repeat) 00:05 Night Birds — songs, chat

ON THE AIR

Voice of Music
6:02 Musical Clock 7:07 Boyce: Ode for the Opening of the University of Cambridge; Stanitz: Trio for Flute, Oboe and Cello 7:30 Mozart: Symphony No. 35 (New Philharmonia); Gershwin: Concerto for Piano and Orchestra (Hollinger); Debussy: L'Après-midi d'un faune (Boston, Tishon Thomas); De Falla: Night in the Garden of Spain (De Larocque); Strauss: Romanze, Compositions; Lalo: Symphonie Espagnole (Zino Francescatti, New York, Mitropoulos) 9:30 Delius: Summer Morning (Royal Philharmonic); Berlioz: Elsie, Cello Concerto (Jacqueline du Pre, Bergen); Sibelius: Peasant Suite (Liverpool, Groves); Dvorak: Violin Concerto (Perlman, London Philharmonic); Bartok: Music for Strings, Percussion and Cello (Amadeus and Abramovitch); Beethoven: Symphony No. 7 (Chicago, Giulini) 12:00 An Hour with Ruggiero Ricci — Sarate, Carmen Fantasy; Paganini: 1. Polka, variations, Tchaikovsky: Violin Concerto 13:05 Musical Greetings 15:00 Musical Traditions of the Jewish Community in Israel, Morocco 15:30 The Israel Philharmonic Orchestra

CINEMAS

JERUSALEM 4, 7, 9
Eden: Eternamente, Edmon: Foulouze; Habibi: The Man Who Knew Too Much 4, 6, 35, 9; Mire: Breakdown; Mitchell: Gorky Park 4, 6, 35, 9; Oriol: Educating Rita 4, 6, 35, 9; Orna: Police Academy; Roni: Zelig; Semadar: Fiddler on the Roof Cinema One: 11:00 Hauma: Le Bal 7, 9 The Battle of Britain 15: Cinemascope; Pat Garrett and Billy the Kid 15; Live and Let Die 19; Israel Museum: Little Lord Fauntleroy 3, 20

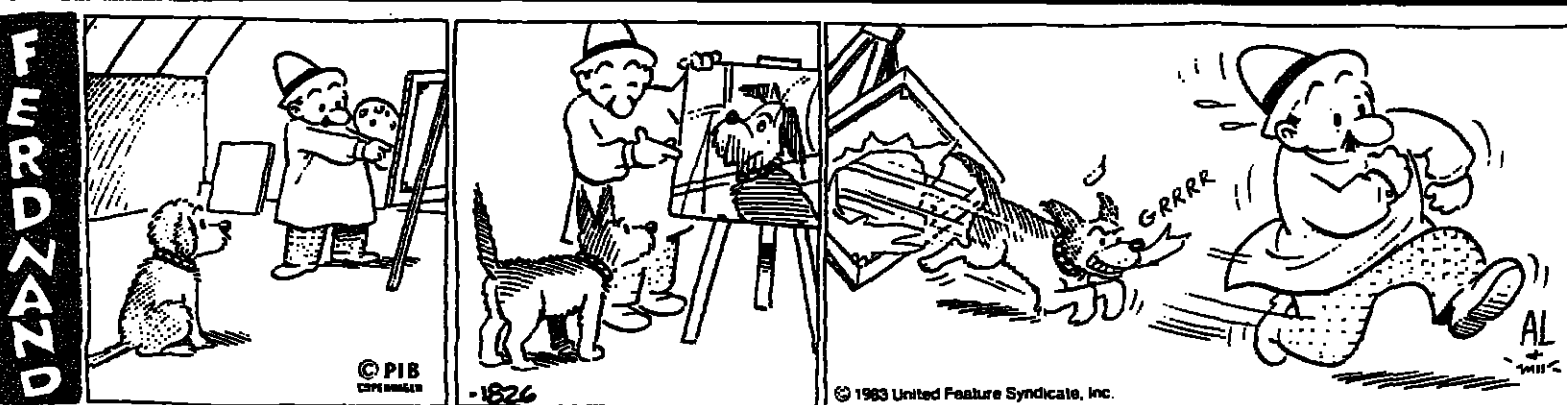
TEL AVIV 5, 7, 30, 9, 40
Allenby: Genghis Khan 4, 8; Ben-Yehuda: Foulouze; Che 15; Police Academy; Che 2: Return of Martin Guerre 4, 8, 20, 45, 35; Che 3: Terms of Crow Creek 10, 30, 45, 35; Che 4: Che 5: Star Wars 10, 30, 45, 35, 9, 40; Cinema One: Eternamente 5, 7, 35, 9, 40; Cinema Two: Shogun 6, 30, 9, 30; Class: Intimately Yours, Dekel: Turner Point 7, 15, 19; Newline: Uncommon Valor 7, 15, 19, 30, 9, 30; Gai: The Chilly; Gordon: Norman Loves Rose 5, 7, 15, 19, 30; Nelson: Burning Love 5, 7, 15, 19, 30; Le Bal 1, 20, 4, 10, 8, 10; Les 11: The Dresser

RAMAT GAN

Armon: Police Academy 7, 30, 9, 30; Dragon Slayer 5; Lby: Gorky Park 7, 15, 19, 30; Osh: Terms of Endearment 7, 15, 19, 30; Herbie Goes Bananas 5; Oriol: Uncommon Valor 5, 7, 30, 9, 45; Ramat Gan: Big Chill 7, 30, 9, 40

HERZLIYA
David: Vol 7, 15, 9, 30 (except Thursday); Thelma: Operation Eagle 7, 30, 9, 30

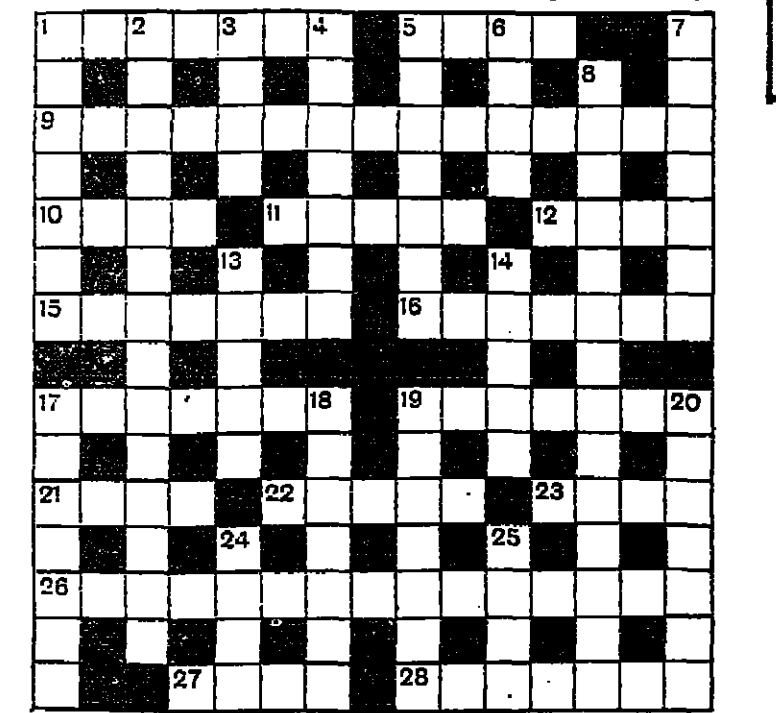
HOLON
Migdal: Return of Martin Guerre 5, 7, 15, 19, 30; Savoy: Uncommon Valor 5, 7, 15, 19, 30



ONE-AND-ONE CROSSWORD

ACROSS
1 Sandpaper curvy (5, 4)
2 Record which scratches badly (4)
3 Illuminated matters only: Hardly (5, 10)
10 Test for the PM (4)
11 Dishes heartened by nothing but merchandise (5)
12 Sound a promising oceanic report (4)
15 Minute female parasite: native to the Middle East (7)
16 Male well-disposed to our species (7)
17 By the sound of it beat the other fellow's trick and blow it (7)
19 Newspaper cutting from the gardening corner (7)
21 Carry a better calculator: u course (4)
22 English port which cost only 15s 10d if you had a pound to spend (5)
23 Beyond which the ungracious crow white with fear (4)
26 Classically insane sergeant: joined by Petty Officers before the troops sit back (5, 6, 8)
27 Sort of look that makes a modest girl reel back (4)
28 Leaves successive notes to different choral voices (7)

DOWN
1 What women put their hair in to get big waves (7)
2 Safari sport for senior talent scout (5, 4, 7)
3 Sober hearted pair named Bismarck (4)
4 Offensive Moones replaced (7)
5 Priceless Benedictine sought by Soviet dissidents (7)
6 Sail up to the South West rock (4)
7 Feign as those who would fain be king (7)
8 He runs a quiz to get his own back on teacher (8-6)
13 Drop out as cheer leader maybe (5)
14 Sleep soundly (5)
17 In 1912 she went down great (7)
18 Proverbially he swears he can fight on a mount (7)
19 Fleet Street chief importuned (7)
20 Record rise takes pressure off and makes one happy (7)
24 The original Utopian demand (4)
25 Don't give up the tower (4)



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Jerusalem: Mann, 102 Jaffa, 223048; Balsam, Salah Eddin, 22315; Shufat, Shufat Road, 810108; Dar Eldawa, Herod's Gate, 223088; Tel Aviv: not available; Netanya: Kapor, Holim Chait, 31 Brodetski, 91123; Haifa: Yavne, 7 Ibn Sima, 62258.

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QUICK CROSSWORD

ACROSS
1 Indulging in games
5 Eccentrics
8 Part of floor
9 Literature room
10 Fodder

DOWN
1 Pertaining to the Pope
2 Junior diplomat
3 Lazy fellow
4 Club sportsman
5 Floor show
6 Respond
7 Shakespearean punner
10 German apple tart
13 Inactive
15 Sporting type
16 One who consorts
18 Depart
20 Once more
21 Rough outline

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Nahariya 92333
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Tiberias 79011

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YESTERDAY'S SOLUTION

ACROSS
1 Odour, 4 Colours, 8 15 Agile, 16 Tangle, 10 Cat, 11 In-Spire, 12 Nerve, 13 Jagged, 17 Recite, 18 Lure, 23 Trapezoid, 24 Grief, 25 In-Joke, 26 Goggles, 28 Greeter, 29 Dashed, 30 Oiler, 31 Oiler, 32 Retire, 4 Greed, 5 Lotus, 6 Genial, 7 Erode, 12 Deca, 13 Oyer, 16 Nigara, 18 Engineer, 19 Enraged, 21 Digger, 22 Ding, 23 Diver, 25 Talor

QUICK SOLUTION

ACROSS
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Money Matters

Free shares break lower, bonds firm

Tel Aviv - The "free" shares moved decisively lower yesterday. This turn for the worse is the first significant downward move in the last few weeks, and the first move of any sort since last Sunday. By contrast, the official and unofficial bond markets remained steady and even managed to gain ground.

The "unofficial" bond market is, of course, the "arrangement" bank share sector, which is really a part of the government bond market, but remains formally in the realm of the share market. This sector moved ahead by 1.37 per cent, and the great weight it has on the General Share Index is such that this gain was sufficient to cause the G.S.I. to close up 0.36 per cent, despite the falls in the free shares.

The "arrangement" shares sector also took the lion's share of the gains in the government bond market, rising by 1.5476 million on the market, or some 65 per cent. The gains were recorded by the "arrangement" shares should be seen against the background of a significant acceleration in the decline of the shekel against the dollar last week, and the

Tel Aviv Stock Exchange
By PINHAS LANDAU

even larger fall in the shekel's value on the black market. Rumours of imminent government measures, either of a general nature or directed against the foreign currency market, have caused a wave of increased activity, bordering on panic, in the "white" and "black" markets alike. The "arrangement" shares, as dollar-linked bonds, are part of this move and the high yields available on them - 17 per cent last week - made it inevitable that their prices would rise as the dollar surged against the shekel.

"Regular" bonds, primarily index-linked ones, were stable with slight rises in many series. The volume rose to almost IS1 billion again, as it had early last week.

The major development, as noted, was the change of trend in the free share market. For several weeks this sector has been trading in a

stable to positive trend; earlier in June there had even been some fairly big rises. This trend now seems to have been broken, and if explanation is required it must be sought in that same bout of rumours that sparked the renewed run in the foreign currency markets.

The facts, at least, were clear-cut. Declines ran at almost twice the number of advances, sharply falling issues were almost three times the number of those rising by 5 per cent or more, and there were 11 "sellers only" situations, compared to 6 "buyers only".

The non-bank index fell by 1.39 per cent, and all the component indices fell except the specialized financial institutions and insurance sectors. The pace-setting sectors, industrials and investment companies, lost 1.66 and 2.13 per cent respectively.

Some issues took sharp tumbles: Leading the pack was the Fertilizers IS10.1 share, which lost 999 points, or 30 per cent, in slumping back to 2,340. The share had been "sellers only" on both Wednesday and Thursday.

Fertilizer's neighbour, Dexter options, also managed a large fall - 22.2 per cent. T.G.L. IS5 shares fell 15 per cent, but on the up-scaler was Amisur, which rose 10 per cent for the third successive session. This is in the wake of the impending split in the Eisenberg group, which will probably leave Amisur in the hands of Mickey Albin. The Cohen Development option also racked on a useful little move of 26.4 per cent.

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FOREIGN CURRENCY
28.6.84
Yesterday's foreign exchange rates against the Israeli Shekel, based on U.S. dollar transactions under \$2000 and transactions of other currencies under the equivalent of \$500.

UNITED MIZRAHI BANK
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DOLLAR PAZ AND EURO PAZ PRICES FOR 24.6.84

CURRENCY BASKET

	PURCHASE	SALE
"DOLLAR PAZ", 1 UNIT	678.7999	687.2695
"EURO PAZ", 1 UNIT	774.7102	784.3766
S.D.R.	227.9098	230.7535

FOREIGN CURRENCY EXCHANGE RATES FOR 24.6.84

COUNTRY	CURRENCY	CHEQUES AND TRANSACTIONS	BANKNOTES
U.S.A.	DOLLAR	220.6733	223.4267
GREAT BRITAIN	STERLING	300.5349	304.2848
GERMANY	MARK	79.1511	80.1387
FRANCE	FRANC	25.8006	26.1226
HOLLAND	GULDEN	70.2445	71.1210
SWITZERLAND	FRANC	95.1998	96.3877
SWEDEN	KRONA	26.9804	27.3171
NORWAY	KRONA	27.9333	28.2819
DENMARK	KRONE	21.6282	21.8981
FINLAND	MARK	37.4848	37.9526
CANADA	DOLLAR	173.2900	166.0000
AUSTRALIA	DOLLAR	198.3800	183.0000
SOUTH AFRICA	RAND	178.7900	140.8400
BELGIUM	FRANC	38.9263	39.4120
AUSTRIA	SCHILLING	112.7610	114.1680
ITALY	LIRE	128.2984	129.8992
JAPAN	YEN	93.8436	95.0145

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Commercial Banks
(not part of "arrangement")

Bank	Price	Volume	% Change
Bank Leumi	2402	n.c.	-
Bank Hapoalim	898	947	n.c.
Bank Hapoalim	540	664	n.c.
Bank Hapoalim	1875	49	-10
Bank Hapoalim	1308	101	-7
Bank Hapoalim	2455	42	-11
Bank Hapoalim	305	36	-5
Bank Hapoalim	74	4094	-8
Bank Hapoalim	205	114	-15
Bank Hapoalim	326	2883	-30
Bank Hapoalim	378	1504	-42

Commercial Banks
(part of "arrangement")

Bank	Price	Volume	% Change
IDB	8005	722	+40
IDB	8101	7	+36
IDB	49600	2	-497
IDB	6101	303	-
IDB	10399	11	n.c.
IDB	10170	13	+100
IDB	1210	510	+34
IDB	3385	2221	+95
IDB	3318	14	n.c.
IDB	1475	108	n.c.
IDB	6999	15	-19
IDB	5905	124	-1.9
IDB	5385	130	n.c.
IDB	20500	2	n.c.
IDB	15250	353	+800
IDB	13350	13	n.c.
IDB	10500	4	+400
IDB	670	30	n.c.
IDB	3500	3492	+40
IDB	4445	151	+70
IDB	1130	507	+51
IDB	5030	3	+310
IDB	2490	2	-9
IDB	4400	2	+90

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Ari Rath
Editor and
Managing Director

**THE JERUSALEM
POST**

Erwin Frenkel
Editor

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Calming the waters

THE WAGE contract for the public sector signed yesterday after much turmoil and agony was fairly predictable. A month before elections no government is anxious to face mass strikes, and least of all a government that will have an uphill struggle to be returned to power. As predictable as the signature itself — which has averted a prolonged walk-out of workers in the local authorities — were the terms of the agreement.

The wage hike of some 15 per cent, spaced out in two instalments for July and August, comes as close as can be to precisely splitting the difference between the original Treasury offer of 8 per cent and the Histadrut's demand for 23 per cent. The additional 8 per cent to be bargained out by the various unions, makes the Solomonic solution shift a little closer to the Histadrut demands.

The agreement got the economy over the hump with the largest number of public sector employees. But some groups of civil servants like those with academic degrees remain dissatisfied.

Adjustment of the tax brackets in line with the full rate of inflation, which was one of the Histadrut's central demands, has been left open. This will have to be negotiated after the elections. Meanwhile, the Treasury will go on with its new-old practice of adjusting the tax brackets only by 80 per cent of the rate of inflation. This, of course, means that inflation will continue to narrow wage differentials, between grades and between higher and lower-salaried groups of workers.

It is, therefore, not surprising that the academically trained civil servants and the engineers remain dissatisfied, and it is virtually certain that other groups will join them. Yesterday's agreement has, therefore, not yet calmed all the troubled waters of wage relations in the public sector. Disputes are likely to go on not only until the elections, but for weeks and months afterwards.

Moreover a wage agreement for the private sector must also still be hammered out. Labour relations in the private sector have usually been much more peaceful than in the public sector, but there is no guarantee that they will remain so this time around. A wage hike of what will ultimately be 23 per cent is not likely to be granted easily by private industry. There may, therefore, also be trouble ahead in the private sector.

The present agreement could have been signed weeks ago, sparing the country the avoidable unrest that has reigned for the past weeks. Had the Treasury realized in time that the Histadrut was making it an offer it could not refuse, the public might have chalked up such flexibility to the government's credit. But having dragged its feet interminably, until four weeks before the elections, the government has turned yesterday's agreement into a victory for the Histadrut.

The Histadrut has obtained most of what it demanded, even if that is a little less than it expected. At the same time, consistent with its traditional restraint, the demands of the Histadrut have not been exorbitant. A wage increase of some 15 per cent, without backpay to April, when the old wage contract expired, barely compensates civil servants for the wage erosion engineered by Finance Minister Yigal Cohen-Orad.

There is in yesterday's wage agreement no significant hedge against the inroads on real wages that will result from inflation that will rage on at the present rate for at least months to come. Even the additional increment of 8 per cent, that is to be negotiated for payment in October's salary on the eroded basis of the June pay packet, will not go very far towards keeping real wage levels steady. All in all, the cost of the higher wage bill to the Treasury will be some 16 per cent over the April 1984 basis — and that may fall far short of making up for the loss in purchasing power of a month's salary.

The Histadrut, under the new leadership of Secretary-General Yisrael Kessar, has no doubt won a tactical victory. It got the mass of the public sector workers a good slice of compensation that looks bigger than it really is, and at the same time, by not holding out for more and quietly accepting some continued wage erosion, once again demonstrated its "national responsibility."

So, the labour federation has come out of this fairly well; the government, however, did not enhance its image.

POSTSCRIPTS

PS JEWISH grandparents are apparently getting rarer in America these days. That may explain the new "Dial-A-Jewish-Story" telephone service being provided in New Jersey. The caller may dial a number to hear classic tales of Jewish heroes from the Bible, Talmud, Midrash and Jewish history, or tales of modern Jewish bravery.

The 24-hour-a-day service was instituted to "give Jewish children a deep feeling of warmth and pride in their heritage," according to Rabbi Yosef Lipskier, a faculty member of the Rabbinical College of America in Morristown, New Jersey, which is sponsoring the project, as part of Habad-Lubavitch activities.

J.S.I.

PS STRIKINGLY FAMILIAR — The extras for the film *King David* being shot at the Gran Sasso Mountain near L'Aquila, Italy, are on strike to protest being "treated like slaves." The extras, most of them from the Abruzzi region surrounding L'Aquila, claim producers of the colossal biblical production starring Richard Gere are treating them with "arrogance, brutality and continual threats of firings," according to the Rome daily *La Repubblica*.

They also protest their scanty costumes to portray ancient Jewish and Philistine tribes, which allow little protection from the cool temperatures of the snow-topped Gran Sasso, the daily said.

The extras earn \$40 a day.

WAGE DEAL

(Continued from Page One)

achievements. One of the proposals raised at the meeting was to break away from the Histadrut and form an independent union of professionals — following the example of the doctors and some of the teachers.

Some officials advised rebelling trade unionists to join the agreement. They said that because of inflation money in the hand is worth more than what they may get later.

But the rebels noted that they have time. Because the wage increases will only be paid with July's wages in August, they can join the agreement as late as July 20 and still get the raise.

Michal Yudelman adds: Garbage piled up in Tel Aviv's business district yesterday on the first day of the municipal workers' general strike. In residential areas the effects of the strike were less evident as many residents did not put their garbage out.

All municipal offices were closed and only emergency services including hospitals, electricity, firefighting and water services continued operating with a skeleton staff.

Kindergartens were also closed. Emergency services supplied by the Jerusalem Municipality were maintained despite the strike, by agreement with the workers' committee.

TV STRIKE

(Continued from Page One)

trial is slated for Wednesday night, as the evening TV schedule is devoted to a live telecast of the European Soccer Cup final from Paris. If the campaign messages are not vital on Wednesday, Ressler reasoned, they could not be considered vital on

Sunday night, as the back-to-work orders maintained. Justice Barak accepted this argument, and the journalists were jubilant that TV would remain shut down for at least one more night.

It is not yet known if any radio or TV broadcasting will take place today.

ARGENTINA'S refusal to negotiate on the basis of the proposals by the International Monetary Fund and its insistence on submitting its own scheme mark the beginning of the end of the manner in which the world debt crisis has been managed for the past two years. One way or another the industrial democracies will now have to face two realities. There is no chance of any principal being repaid for a decade or more. Even interest payments will become politically unbearable unless handled as a political and not a technical economic problem.

Continued refusal to accept these facts will provoke a political confrontation between the U.S. and the principal Latin American debtors.

Combined with Central American conflicts, this could absorb America's energies in the Western Hemisphere, impairing traditional U.S. ties to Western Europe and important relationships in Asia. And it could undermine the bonds with Latin America, which historically have been the most consistent theme of U.S. foreign policy.

A few statistics illustrate the magnitude of the problem. At the end of 1983 the major Latin American debtors, Brazil, Mexico, Argentina, Venezuela, Chile, Peru and Colombia, owed more than \$300 billion. Interest payments alone consumed more than 40 per cent of all their export revenues. Total debt service, even when repayment of capital was considerably stretched out — or "rescheduled" in technical language — equalled around 60 per cent of earnings.

These figures will deteriorate further in the years to come. Every percentage point of U.S. interest rates costs the Latin American countries almost \$3 billion. Interest payments, already difficult to sustain, have thus been further bolstered by the recent increase in U.S. rates.

NOR WILL the export earnings of debtors grow fast enough in the coming years to ease the debt burden significantly. Several recent studies have demonstrated that Latin American exports will grow by less than 10 per cent during the next several years. Even when extremely favourable assumptions are made, interest payments would still exceed one-third of earnings. In addition, huge amounts of debt — more than \$100 billion — are supposed to be repaid during 1985-87.

These payments simply cannot be made. None of the major debtor countries will be able simultaneously to pay its debt, achieve economic growth and maintain its political and social equilibrium. When debtors have to borrow to pay even interest, we have reached the historically unprecedented and politically unsustainable condition in which developing countries are being turned into capital exporters. This year the Latin American countries will pay \$20 billion more in interest than they receive in net new loans.

The crisis first became apparent with respect to Mexico in 1982. Since then it has been dealt with through an almost endless series of negotiations between the International Monetary Fund (IMF) and a consortium of banks on the one side and whichever debtor country faced the most immediate difficulty on the

Diplomatic approach to the debt crisis

By HENRY A. KISSINGER



other. The IMF would lay down conditions for good economic management. The banks, together with the IMF, would assemble a financial rescue package, which in practice rarely exceeded the amount of interest due or overdue. When these funds inevitably ran out, the emergency procedure was repeated. Nevertheless these piecemeal, essentially technical methods have reached the limit of the politically sustainable.

For the International Monetary Fund was created to redress short-term imbalances of individual countries. It lacks the financial and political resources to deal with a crisis of the entire international financial system. Its remedy, in effect mandating austerity, works well when applied on a one-shot basis. It is likely to backfire politically when a score of countries are patients, and the illness lasts the better part of a decade.

Between 1981 and 1983, Latin America has reduced its imports — mostly from the U.S. — by \$33.2 billion or 41 per cent. But even growing exports have barely kept pace with the increase in debt produced by the extraordinary phenomenon whereby debtors borrow from banks to pay interest to these same banks.

Even the most successful debtor — Mexico — projects a growth rate of barely 4 per cent for 1986, the fourth year of its austerity. Since the country's rapidly growing labour force

will create the need for new jobs at an even faster rate, an austerity which has already produced over 30 per cent unemployed may not deepen but neither will it ease. In Brazil where an approaching presidential election deprives the government of some of its authority, three presidential contenders have demanded that the debt issue be "politicized." In Argentina, the new government of President Alfonsín, the most hopeful democratic experiment in a generation, equates the intensification of austerity with political suicide, caught as it already is between the wariness of the military and the hostility of the Peronist unions. Fairly or unfairly, challenging the present system of debt management has turned into the dominant political issue in Latin America.

As a result the bargaining position of creditors has gradually eroded in recent months. It is becoming increasingly clear that creditors are unwilling to risk default, and that banks are in no position to face down governments fighting for their political survival.

THE RESCUE package for Argentina in March left no further doubt on that score. When Argentina threatened to refuse payment on the interest on its private debts — involving painful but bearable losses — the U.S. Treasury blinked. It arranged for a group of debtors (Mexico, Brazil, Colombia and Venezuela) to

undertake an emergency loan to Argentina. This essentially cosmetic "rescue" operation could not hide the fact that its essential element was an implied American guarantee. How could it be otherwise when the loan was undertaken by countries unable to pay their own international debt? In the process the U.S. showed the debtors its inhibitions and gave its blessing, however unintentionally, to the principle of a debtor's cartel.

Nor is the present system of debt management beneficial for the economic system as a whole. If a score of countries simultaneously seek to reduce imports and to expand exports, the international system becomes dangerously mercantilistic. Ironically the effort to save free economies can result in an assault on free trade.

The frequency of the negotiations under the existing system, the prolonged uncertainty which they entail, and the threat of default, which is the chief bargaining weapon of the debtors, sap confidence and make the financial system highly susceptible to panic. It seems only a question of time until some major government, or more likely a group of them, will seek to impose their terms on the creditors — as Ecuador and Bolivia have already done, and more important, as Argentina is doing in its negotiations with the IMF.

Proponents of the present process argue that it is the sole device to force on the debtors the economic adjustment without which their situation is hopeless. I agree with the diagnosis of the need for economic reform. But the remedy is both patronizing and a counsel of despair. It guarantees that each crisis will be precipitated by the least responsible or the most hard-pressed of the debtors, tempting confrontation and a direct assault on the international banking system.

Statesmanship must be able to transcend formal theory. The time has come to bring the professed goals of the international financial system into line with political realities.

THE INDUSTRIAL democracies can take some unilateral steps to ease the debt crisis. They should adopt economic policies which encourage economic expansion, thus promoting Latin American exports. They could curb protectionism and above all lower interest rates — the latter a largely American problem. But the debt problem cannot wait until the U.S. political process permits a structural assault on the U.S. budget deficit. The governments of the industrial democracies need to abandon their current hands-off attitude towards the debt crisis.

This requires a comprehensive approach to the problem. Banks cannot continue the burden of negotiating economic reform without becoming themselves the political issue. Governments must step in to create the political issue. Governments must step in to create the political conditions which would enable each party to make the sacrifices which reality will impose in any case.

In such a framework banks must be encouraged to give up the pretense that full debt service is possible and forgo the contortions required to keep the myth alive. New mechanisms must be devised to bring the interest burden into line with the ability to pay and to reschedule debt over a realistic period of time. Governments will have to establish criteria for allocating the costs of stretching out debt. Above all they must find ways to provide new financial resources to the developing countries, either directly or through international financial institutions.

But no matter how farsighted the governments of the industrial democracies and how responsive the banks, there is no prospect of bringing the debt problem under control unless the Latin American debtors are willing to do their part to reinvigorate growth by major efforts of economic reform — to curb inflation, to alter the disincentives to saving and investment, to create equitable and enforced tax systems, to eliminate subsidies for inefficient industries, to manage sensible exchange policies. Debtors must abandon the illusion that some political sleight of hand can relieve them of the necessity of serious adjustment programs and accept the fact that the encouragement of private investment — both foreign and domestic — is the only road to sustained growth.

Several eminent Latin Americans have proposed that the debt problem be "politicized." The term lacks precision but it reflects an important truth. The stakes have become too high to be left to the technical remedies of financial experts. Politicizing should not mean the removal of banks from the process. Politicizing does mean creating an international framework reflecting a realistic schedule for debt payments and above all a reciprocal commitment to renewed growth and development.

ONLY WITH such an approach will debtor countries be able to ask their people for sacrifices which are now unacceptable when seen as a device by banks to exact interest payments.

The stakes are nothing less than the nature of the relationship of developed to developing countries and for Americans the vitality of U.S. ties in the Western Hemisphere at a moment when Latin America has the best and most democratic set of governments in this century. In an interdependent world, creditors and debtors will ruin each other by tests of strength. In truth, the only realistic question is whether we strike out together on new paths. For if we do not work together now to avoid a catastrophe, we will be forced into much greater efforts later in order to overcome it.

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READERS' LETTERS

DISGRACEFUL PUBLICATION

To the Editor of The Jerusalem Post: Sir, — At its meeting of June 11, the Hebrew Writers' Association in Israel rejected the slander and blasphemy contained in the pamphlet, "The Burned of the Crematoria Accuse," issued by the Agudat Yisrael youth.

This blood libel against the Jewish resistance movement during the Nazi terror and against the entire Zionist movement arouses revulsion and horror. The abominable lies about our comrades, Abba Kovner, one of the leaders of the partisans, whose activities in the war against the Nazis redounded to Israel's honour, must be condemned by every person with a conscience.

We appeal to all public bodies in Israel to condemn this disgraceful occurrence and urge the attorney-general to bring the authors of this slander to trial.

The Executive Board,
The Hebrew Writers' Association,
Tel Aviv.

WORLD WAR II AMPUTEES

To the Editor of The Jerusalem Post: Sir, — Please help me trace World War II veterans of the British Army with lower limb amputation or their widows who are interested in the following announcement:

The Department of Health and Social Security in England has accepted the relationship between the effects of lower limb amputation and subsequent cardiovascular disease. The amputees or widows of such amputees whose death was established as due to cardiovascular disease may now apply for a pension through The Royal British Legion, 95 Shalom Hamelech Street, P.O.B. 11379, Tel Aviv.

SARA KOFFLER,
Honorary Secretary,
Royal British Legion, Israel,
Tel Aviv.

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SHOCKING AD

To the Editor of The Jerusalem Post: Sir, — At a time when the Israeli press is full of articles in which Israelis from almost every political and religious persuasion are expressing their bafflement, dismay and outrage at the actions allegedly planned and carried out by a Jewish terror organization, it is painfully disheartening that a group of American rabbis should defend the accused as "guilty of no moral crime" (advertisement of June 8 by the Committee for the Sanctity of Human Life).

That American rabbis, presumably knowledgeable in Jewish ethics and democratic principles, could so grotesquely lose sight of the inherent connection between legality and morality is frightening. If this is the moral message of our spiritual leaders, we should not be so surprised at the actions of their followers.

MICHAEL SCHACHTER
Tel Aviv.

Sir, — Our government has a remarkable record of defence against terrorism. The policy is clear and it has been acted on time and again. It is the legal response and the only proper one, to terrorism. We no longer live under Turkish rule or the

British Mandate, hostile governments that did not defend us.

The Jewish terrorist attempts at murder were vigilante actions. If we condone them, in any way, we are on our way to lawlessness and anarchy. The blows they struck and attempted to strike were not blows against the Arab terrorists; they were blows against the government of Israel, a Jewish government, our government. I feel great anguish that a group of prominent rabbis, some of whom I know by reputation and who I have always respected, have opted for terror and lawlessness.

MURRAY SAFRAH
Jerusalem.

Sir, — Do the American rabbis of the Committee for the Sanctity of Human Life walk in the Shadow of Evil, the force they always preach against? A serious question, no doubt, but what is one to conclude from their ad in The Jerusalem Post of June 8?

Their claims and arguments may derive from ignorance, presumption, and arrogance. It is the stuff of Darkness, in which Evil thrives.

Professor GERD KORMAN
Jerusalem.

QUICK SERVICE

To the Editor of The Jerusalem Post: Sir, — Just before the Shavuot holiday was to begin, I realized that the electricity in my apartment in East Talpiot had been turned off. I had apparently not received my last bill and non-payment of it was the reason for this state of affairs. I telephoned the East Jerusalem

Electric Company and was told to come over immediately and pay my bill. Within an hour, a workman had come over to my home and turned the current back on.

Some things can get done quickly.
ANNE JACOBSON
Jerusalem.

INDUSTRY PRIZES

To the Editor of The Jerusalem Post: Sir, — I refer to your article of June 7, "The winners of this year's Industry Prizes." I am disappointed by the Manufacturers Association's ludicrous and short-sighted decision in granting the Industry Prize to Martin Gehl, Board Chairman of Dubek, a dealer in addictive poison. By this award, they have foolishly bestowed an award of justified respectability on the tobacco trade.

Kfar Sava.

JULIAN GRIGG

TV BLACKOUT

To the Editor of The Jerusalem Post: Sir, — The three-day silencing of TV is indeed a great pleasure. May the journalists' works committee continue in its good work of freeing us of the pollution emitted by our TV sets.

If we can "forget about seeing elections televised," so much the better. Perhaps we can go back to reading a good book, talking to our children and playing with them, and communicating with our fellow-men.

ARYEH BODENHEIMER
Beersheba.

NAME BRANDS — 10 INSTALMENTS

Ratfon is happy to announce that it is now offering electrical appliances by internationally known makers — Graetz, Constructa, Fakir, and Starmix, with instalment plans of ten dollar payments, and also through Visa and Isracard credit cards.

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You can now buy a vacuum cleaner, food mixer, colour TV set, laundry drier and dish washer... with a payments plan.

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